

RELIGIOUS SISTERS OF CHARITY

England & Wales · Charity number 231323

Details

Other names	RELIGIOUS SISTERS OF CHARITY OF IRELAND, RELIGIOUS SISTERS OF CHARITY OF IRELAND (KNOWN AS THE IRISH SISTERS OF CHARITY)
Status	Registered
Legal form	Trust
Registered	1963-12-02
Register	View on the Charity Commission register

Contact

Address St. Josephs Convent
36 Mare Street
Hackney
London
E8 4AD

Phone 0208 510 3675

Email bursar@rsoccaritas.org

Website <http://www.rscaritas.com>

Activities

Objects: THE TRUSTEES SHALL HOLD THE TRUST FUND AND THE INCOME THEREOF UPON TRUST TO APPLY THE SAME EITHER AS CAPITAL OR INCOME SUCH CHARITABLE PURPOSES WHICH ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK FOR THE TIME BEING CARRIED ON BY OR UNDER THE DIRECTION OF, OR SUPPORTED BY, THE ORDER AS THE TRUSTEES WITH THE APPROVAL OF THE SUPERIOR SHALL FROM TIME TO TIME THINK FIT AND IF AT ANY TIME THE ORDER SHALL CEASE TO EXIST THEN FOR SUCH OTHER LAWFUL CHARITABLE PURPOSES CONNECTED WITH THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL DECIDE AND IT IS HEREBY DECLARED THAT NO PART OF THE TRUST FUND NEED BE RETAINED OR SHALL BE TREATED AS PERMANENT ENDOWMENT WITHIN THE MEANING OF THE CHARITIES ACT 2011 (AS AMENDED). DEFINITION OF "SUPERIOR" MEANS THE PERSON FOR THE TIME BEING HOLDING THE OFFICE OF CONGREGATIONAL LEADER OF THE ORDER AND INCLUDES ANY PERSON WHO UNDER THE CONSTITUTIONS OF THE ORDER IS FOR THE TIME BEING ENTITLED TO EXERCISE THE FUNCTIONS OF SUCH SUPERIOR.

Activities: Health care - care of persons suffering from terminal cancer and other life - limiting illnesses. Social and pastoral work. Education. Care for members of the congregation. Worship and prayer.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** ENGLAND
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,367,557	£21,924,259	£0	0
2023-12-31	£771,125	£2,907,712	£19,747,502	0
2022-12-31	£1,177,542	£1,398,092	£21,571,354	9
2021-12-31	£2,830,535	£3,673,177	£23,813,611	21
2020-12-31	£888,966	£1,082,088	£23,170,404	21

Trustees

Name	Role	Appointed
SISTER CATHERINE EGAN		2021-01-09
SISTER MARY CLARKE		2021-01-09
SISTER PATRICIA LENIHAN		2019-07-28

RELIGIOUS SISTERS OF CHARITY

England & Wales - Charity number 231323

Accounts

Religious Sisters of Charity

Annual Report and Accounts

31 December 2024

Charity Registration Numbers
231323 (England and Wales) and
SC039185 (Scotland)

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Reference and administrative details about the charity, its trustees and its advisers

Trustees	Sister Mary Teresa Clarke Sister Catherine Egan Sister Patricia Lenihan Sister Alice McGilly (until 14 March 2025)
Provincial Superior	Sister Mary Teresa Clarke
Provincial Bursar	Sister Alice McGilly (until 14 March 2025)
Administrative address	St Joseph's Convent 36 Mare Street Hackney London E8 4AD
Telephone	020 8510 3675
E-mail	bursar@rsoccaritas.org
Charity registration number (England and Wales)	231323
Charity registration number (Scotland)	SC039185
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP NatWest Bank plc Stoke Newington Branch Chatham Customer Service Centre Western Avene, Waterside Court Chatham Marine ME4 4RT

Reference and administrative details about the charity, its trustees and its advisers

Investment managers BlackRock Investment Management Limited
33 King William Street
London
EC4R 9AS

Solicitors Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

Trustees' report Year to 31 December 2024

The trustees present their report together with the accounts of Religious Sisters of Charity (the "charity") for the year ended 31 December 2024.

With effect from midnight on 31 December 2024, the activities, assets and liabilities of the charity were transferred to a new Charitable Incorporated Organisation, Religious Sisters of Charity CIO (Charity Registration No. 1206893) ("the CIO" or "the successor charity").

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Venerable Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution.



The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all property used for its purpose in England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales (Charity Registration Number 1206893) and with the Office of the Scottish Charities Regulator in Scotland (Charity Registration Number SC039185).

Mission

The English/Scottish Community of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.



When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit. These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

Mission (continued)

Worship and prayer

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none and are just present and available to listen and guide people with their daily problems and concerns.

Social and pastoral care

Many of our sisters continue to volunteer in various forms of social and pastoral care in England and Scotland and covering all aspects of Church life. The sisters are a listening ear for those living alone, a sympathetic presence for the sick, isolated, fearful, bereaved and the lonely. We seek to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, social and pastoral care. Each of these is considered in turn below.

Caring for members of the Congregation

In common with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. At 31 December 2024 we had 26 sisters in the Province. The average age of the sisters is 83 years.

The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have 10 members receiving care and support, the trustees expect this number to increase over the next decade. In line with this, the trustees are giving careful consideration to the impact of this and the property requirements and the financial implications for the Congregation.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Worship and prayer

As a Congregation, we remain committed to spreading the Gospel through our shared worship with the local communities wherever we live, assisting them through prayer and supporting Parish life.

Health care

Our healthcare facilities in England and Scotland have been set up as separate charitable companies. The charity is continuing the process of withdrawal from all Governance roles within our associated Hospices in England and Scotland. A number of our sisters continue to volunteer in pastoral roles.

Social and pastoral work

A number of our Sisters continue to volunteer within the local Communities where we live to support and walk alongside those in need. The following are some examples of the social and pastoral work undertaken by individual sisters:

- ◆ Working with homeless projects
- ◆ Volunteering and supporting Food Banks
- ◆ Working with agencies that support vulnerable individuals
- ◆ Pastoral care in Hospices and nursing homes
- ◆ Various justice and peace initiatives
- ◆ Bereavement support

The aims of the trustees with regard to social and pastoral care include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members to carry out meaningful social and pastoral work;
- ◆ To encourage and support members to work with and assist the poor and marginalised;

As we work with vulnerable adults, the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service.

Activities, specific objectives and relevant policies (continued)

Review of activities

Worship and prayer

Our retired sisters commit themselves to prayerfully support the endeavours of the Congregation daily.

Many of our sisters continue to be available and endeavour to support the Local Parish in a variety of roles. Participation in Parish Liturgies and our roles as Eucharistic Ministers give witness to our continuing commitment to spreading the gospel.

Sisters involved in parish work give a large part of their time to visiting the frail elderly in their homes and bringing them Communion. This can often be the only human contact in the week for some individuals.

Our sisters working in Parishes continue to provide support and care for those who are bereaved, those who are isolated and often don't have any visitors for long periods of time.

Care of members of the Congregation

Our older sisters have devoted their lives to caring for others, working in many areas such as education, health care or pastoral social work. They continue to be very interested and support those ministries by prayer and intercession.



In 2022 the trustees, anticipating that increasing numbers of our sisters would need care and support and wishing to provide this care on a professional and stable basis, outsourced the Care Management and the Facility Management.

The sisters can continue to enjoy the companionship of each other while they receive care and support in their own Convent during their retirement years. This continues to work well, and we are very grateful to the Management and staff of Neylons and Apleona UK who continue to accommodate and support all our sisters in care and retirement.

Pastoral Care

This can include providing spiritual, pastoral and religious care to patients, relatives and staff within Hospices or where our sisters may visit. A number of our sisters continue to volunteer in the ministry of Pastoral care.



Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

Social and pastoral work



Throughout the year, our sisters continued to carry out various forms of social and pastoral work, in a voluntary capacity.

For sisters working in Parishes this may involve just being available, supporting local Churches, networking with community groups, working with families, participating in prayer groups, working for justice and peace or with organisations such as CAFOD, acting as ministers of the Eucharist, visiting the housebound and assisting in the general work of a parish.

Volunteering

Throughout the year, 15 sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The sisters receive no financial contribution for this work which contributes to the overall achievement of the charity's objectives.

In addition, sisters are involved in the administration work of the charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas. A few Sisters work in more than one area, giving their services where necessary.

Investment policy

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;
2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales; and
4. Any company producing pornography.

In addition, at our Chapter in 2019, we also agreed we would divest from fossil fuels.

Activities, specific objectives and relevant policies (continued)

Investment performance

At 31 December 2024, the charity had listed investments with a market value of £13,369,065 (2023 - £13,259,865) which transferred to Religious Sisters of Charity CIO. There are no restrictions on the charity's power to invest.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

Financial report for the year

A summary of the year's results can be found on page 22 of this annual report and accounts.

In the year to 31 December 2024, total income amounted to £1,367,557 (2023 - £771,125) with expenditure being £1,831,790 (2023 - £2,907,712).

The charity's income for the year ended 31 December 2024 comprises investment income, donations including sisters' salaries and pensions, and legacies. Expenditure comprises donations and the costs of supporting members of the Congregation and their ministry.

Net expenditure before investment gains for the year amounted to £464,233 (2023 - net expenditure of £2,136,587). Investment gains were £809,200 (2023 - gains of £ 312,735) and the net income and increase in funds for the year, before the transfer of net assets to Religious Sisters of Charity CIO therefore, amounted to £344,966 (2023 - net expenditure and net decrease in funds of £1,823,852).

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works.

Because of the nature of the charity's activities, we are unable to reclaim the VAT input tax on our costs as income is exempt for VAT purposes. The charity has also paid tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare and to members of the Congregation and will enable the charity to cope and respond to unforeseen emergencies.

Financial position

The balance sheet shows total reserves of £20 million (2023 - £19.7 million), all of which transferred to Religious Sisters of Charity CIO at midnight on 31 December 2024.

£6 million (2023 - £6.0 million) is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies. In addition, £389,762 is represented by a property used for purposes consistent with the charity's objectives but by another organisation. This is shown on the balance sheet as the programme related investment fund.

Actuarial calculations performed during the period indicate that £10.7 million is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £4 million (2023 - £4.0 million) at the year end. The balance of the £10.7 million comprises a designated fund of £6.8 million.

£0.25 million (2023 - £0.25 million) has been set aside or designated for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Reserves policy and financial position (continued)

Financial position (continued)

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £2,782,186 (2023 - £2,409,393). At 31 December 2024, the charity's free reserves fall within the parameters of the above policy. The trustees are content with this position at the present time. The trustees are conscious of the general economic and political uncertainties that exist globally and of the impact these uncertainties may have on world stock markets and the economy more generally.

In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the current macroeconomic and geopolitical concerns.

Future plans for 2025

Care Facility – St Joseph's Convent, Hackney - The trustees will continue to work closely with *Neylon's Facility Management / Apleona UK* who provide the ongoing facility and care management of the St Joseph's Convent.

Changes in the model of Governance for England and Scotland - Over 2023 / 2024. In view of the age profile of the Sisters and following a period of discernment, which was initiated by the Superior General and her General Leadership Team, the Governance structure has transitioned to a Community Leader and Trustees Model in January 2024. The Province of England and Scotland has entered into a period of *Ad Experimentum*. The trustees of the charity will continue to be the Community Leader, the Congregational Leader and two members of Canonical area.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Community as previously stated is now governed by the Community Leader and Trustees.

The Leader and Trustees are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Community. The Trustees are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the area and to secure good skills mix among them. The Superior General or one of her team will continue to visit the communities at least once every six years.

In terms of Civil law, the charity was governed by a trust deed dated 17 December 1962 and is a registered charity - Charity Registration No 231323 (England and Wales) and Charity Registration No SC039185 (Scotland).

At midnight on 31 December 2024, the assets and liabilities of the charity (Charity Number 231323) transferred to Religious Sisters of Charity CIO (Charity Number 1206893).

Governance, structure and management (continued)

Governance (continued)

The Trustees are indeed very grateful to all our advisors who guided and supported us through this process over the period needed to complete this project which will aid in the efforts to modernise the structure, constitution and governance of the charity. The trustees of the charity are the English / Scottish Community Leader, the Congregational Leader and additionally trustees members in accordance with the Constitution of the CIO (charity number 1206893).

Being members of the Congregation, the trustees' living, and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation, they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the current trustees are given below.

Sister Mary Teresa Clarke, RSC



Sister Mary Teresa RSC was appointed Provincial Leader for the English and Scottish Province of the Congregation in January 2021. Sister Mary Teresa joined the Religious Sisters of Charity in 1977 and spent her early career working in Palliative Care Nursing and Management, in St Margaret's and St Andrew's Hospices. Sister later served as CEO in St Joseph's Hospice. During this time, she studied for a Diploma in Pastoral Theology (Heythrop College) and later, an MBA (Public Service Management). Sister Mary Teresa spent over 10 years employed in Her Majesty's Prison Service as a Roman Catholic Chaplain in the North West. In recent years Sister has worked in School Chaplaincy.

Sister Patricia Lenihan



Sister Patricia Lenihan is the Congregational Leader of the Religious Sister of Charity. She is originally from London, England but now living in Dublin, Ireland. She has a BA in Theology for Ministry from the University of London; an MA in Learning Disability Studies from Salford University, and a post-graduate Diploma in Web Design and Development from the University of London. In 2007 she was elected to serve on the General Leadership Team of the Congregation and was appointed Congregational Leader in July 2019.

Governance, structure and management (continued)

Governance (continued)

Sister Alice McGilly, RSC



Sister Alice originally from Northern Ireland entered the Religious Sisters of Charity in Dublin. Her ministry has been in health care throughout the years. Except for a short period in Nigeria and latterly caring for frail elderly sisters, she served in various roles in the Congregations Five Hospices - Cork and Dublin in Ireland, Clydebank and Airdrie in Scotland and Hackney, London. Her nursing qualifications were obtained in Belfast receiving, now known as, RGN and RM. In preparation for Palliative Care Community Nursing in London she did a District Nursing course. In later years she saw the need for further studies and did an MSc in Health Care Management. During 2020 she was appointed Province Bursar and continues to reside in the Hackney Community, London.

Sister Catherine Egan, RSC



Sister Catherine Egan joined the Religious Sisters of Charity in October 1967. Having qualified as a Nurse in 1980 her career has almost been entirely spent in the field of palliative care within the Hospice setting. This included time as a Ward Sister at St Joseph's Hospice, London and moving to St Andrew's Hospice, Airdrie, Scotland in 1989 as Matron. Currently, she is the Director of Mission and a Member of the Senior Management Team at St Andrew's Hospice and with additional responsibility for the pastoral care of sick within the Hospice.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

At 31 December 2024, we had 26 sisters in the English/Scottish Province living in seven different locations. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general, these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of providing pastoral care and support, this work is carried out on a voluntary basis.

Governance, structure and management (continued)

Working with other organisations

In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Examples of some of the organisations, the sisters have worked with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Shrewsbury, Birmingham, Liverpool, Motherwell and Glasgow
- ◆ Wirral Irish Club, Birkenhead
- ◆ Jesuit Refugee Services, London
- ◆ St Vincent de Paul,
- ◆ UNANIMA International
- ◆ Medaille Trust
- ◆ TRAC, Restore

Risk management

The trustees recognise their responsibility for the management of risks faced by the charity, the Congregation in England and Scotland and its individual members.

The areas identified for particular attention within our risk management strategy are:

Governance and management looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the care of the older and frail sisters, the members of the Congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Governance, structure and management (continued)

Risk management (continued)

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province, at 31 December 2024, was 83 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid Compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS).
 - ◇ The trustees are grateful for the ongoing support and the extensive training programmes provided by the Religious Life Safeguarding Service (RLSS)
 - ◇ The trustees, acutely aware of the vital nature of this work and the diminishing number of sisters who would be able to support the Province in this new regulatory framework, have engaged a Designated Safeguarding Lead (DSL) to work with the trustees in all areas and support and update the sisters in all aspects of safeguarding.
 - ◇ The trustees are therefore committed to work with:
 - The Catholic Safeguarding Standards Agency (CSSA).
 - The Scottish Safeguarding Standards Agency (SCSSA)

Governance, structure and management (continued)

Risk management (continued)

- ◆ The charity donates sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not actively engage in fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

To members of the English / Scottish Community and all colleagues.

The trustees wish to record their thanks for the professionalism and commitment of all their colleagues and the individual sisters in this Community. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

Trustee - Sister Mary Teresa Clarke

Approved by the trustees on: 21st July 2025

Independent auditor's report to the trustees of Religious Sisters of Charity

Opinion

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

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 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, the Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Emphasis of Matter – accounts prepared on a basis other than going concern

We draw attention to the principal accounting policies on page 25 which states that the trustees of Religious Sisters of Charity have prepared the accounts on a basis other than going concern. This is due to the legal transfer of all activities, assets and liabilities of the unincorporated charity to Religious Sisters of Charity CIO at midnight on 31 December 2024. We consider that no adjustment to the book value of assets or liabilities is required as a result of this alternative basis of preparation. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

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

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report 31 December 2024

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

06 August 2025

Statement of financial activities Year to 31 December 2024

	Notes	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Income from:							
Donations and legacies	1	898,006	—	898,006	337,488	—	337,488
Investment income and interest receivable	2	322,133	97,804	419,937	303,522	125,188	428,710
Other sources							
. Surplus on disposal of tangible fixed assets		—	—	—	1,850	—	1,850
. Miscellaneous sources		49,614	—	49,614	3,077	—	3,077
Total income		1,269,753	97,804	1,367,557	645,937	125,188	771,125
Expenditure on:							
Charitable activities							
. Charitable grants and donations	3	(53,460)	—	(53,460)	1,141,352	—	1,141,352
. Support of members of the Congregation and their ministry	4	1,787,446	97,804	1,885,250	1,641,172	125,188	1,766,360
		1,733,986	97,804	1,831,790	2,782,524	125,188	2,907,712
Transfer of net assets to Religious Sisters of Charity CIO (Charity Registration Number 1206893)	22	15,874,687	4,217,782	20,092,469	—	—	—
Total expenditure		17,608,673	4,315,586	21,924,259	2,782,524	125,188	2,907,712
Net (expenditure) before gains on investments		(16,338,920)	(4,217,782)	(20,556,702)	(2,136,587)	—	(2,136,587)
Net gains on investments	12	569,853	239,347	809,200	219,918	92,817	312,735
Net movement in funds		(15,769,067)	(3,978,435)	(19,747,502)	(1,916,669)	92,817	(1,823,852)
Reconciliation of funds:							
Total funds brought forward at 1 January 2024		15,769,067	3,978,435	19,747,502	17,685,736	3,885,618	21,571,354
Total funds carried forward at 31 December 2024		—	—	—	15,769,067	3,978,435	19,747,502

For the above two years income and expenditure was derived from the charity's activities. With effect from midnight on 31 December 2024, the charity's activities, assets and liabilities, were transferred to a new Charitable Incorporated Organisation, Religious Sisters of Charity CIO (Charity Registration No. 1206893).

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	10		—		5,969,912
Programme related investments	11		—		389,762
Investments	12		—		13,259,865
			—		19,619,539
Current assets					
Debtors	13	—		120,577	
Cash at bank and in hand		—		253,923	
				374,500	
Liabilities					
Creditors: amounts falling due within one year	14	—		(246,537)	
Net current assets					
			—		127,963
Total net assets					
			—		19,747,502
Represented by:					
The funds of the charity					
Restricted funds	15		—		3,978,435
Unrestricted funds					
. General funds			—		2,409,393
. Tangible fixed assets fund	16		—		5,969,912
. Programme related investment fund	17		—		389,762
. Designated funds	18		—		7,000,000
Total funds			—		19,747,502

Approved by the trustees and signed
on their behalf by:

Trustee - Sister Mary Teresa Clarke

Approved by the trustees on: 21st July 2025

Charity Registration Numbers : 231323 (England and Wales) and SC039185 (Scotland)

Statement of cash flows Year to 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,243,324)	(2,422,495)
Cash flows from investing activities:			
Investment income and interest received		419,937	432,058
Proceeds from the disposal of tangible fixed assets		—	1,063,691
Purchase of tangible fixed assets		(130,536)	(53,520)
Proceeds from the disposal of investments		1,300,000	1,000,000
Purchase of investments		(600,000)	—
Net cash provided by investing activities		989,401	2,442,229
Change in cash and cash equivalents in the year		(253,923)	19,734
Cash and cash equivalents at 1 January 2024	B	253,923	234,189
Cash and cash equivalents at 31 December 2024	B	—	253,923

Notes to the cash flow statement for the year to 31 December 2024

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	(19,747,502)	(1,823,852)
Adjustments for:		
Depreciation charge	158,363	157,385
(Gains) on investments	(809,200)	(312,735)
Investment income and interest receivable	(419,937)	(428,710)
Surplus on disposal of tangible fixed assets	—	(1,850)
(Increase) decrease in debtors	120,577	21,676
Increase (decrease) in creditors	(246,537)	(34,409)
Tangible fixed assets transferred to Religious Sisters of Charity CIO	5,942,085	—
Investments transferred to Religious Sisters of Charity CIO	13,758,827	—
Net cash used in operating activities	(1,243,324)	(2,422,495)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	—	253,923

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2024

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2024 with comparative information provided for the year to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ determining amounts to be designated and, in particular, estimating the size of the sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

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

With effect from midnight on 31 December 2024, the activities, transactions, assets and liabilities of the charity were transferred as a going concern to a newly formed Charitable Incorporated Organisation (CIO), Religious Sisters of Charity CIO (Charity Registration No. 1206893), under a legal deed of transfer.

Principal accounting policies 31 December 2024

Assessment of going concern (continued)

In respect to the successor charity (Religious Sisters of Charity CIO) the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2025, the most significant areas that affect the carrying value of the assets held by the successor charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

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

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

Principal accounting policies 31 December 2024

Income recognition (continued)

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Principal accounting policies 31 December 2024

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat the 1999 valuations as deemed cost.

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.
- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods on order to write off each asset over its estimated useful economic life.

- ◇ Computer equipment 4 years
- ◇ Furniture 5 years
- ◇ Plant and similar assets 15 years

Tangible fixed assets (continued)

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight-line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments relate to a freehold property used by another charitable organisation for purposes consistent with the charity's objectives. The property is included at deemed cost.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Creditors and provisions

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

Principal accounting policies 31 December 2024

Fund structure

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

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

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

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

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

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Notes to the accounts Year to 31 December 2024

1 Income from: donations and legacies

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	243,749	—	243,749
Donations	1,257	—	1,257
Legacies	653,000	—	653,000
2024 Total funds	898,006	—	898,006
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant</i>	335,303	—	335,303
<i>Donations</i>	1,693	—	1,693
<i>Legacies</i>	492	—	492
<i>2023 Total funds</i>	<i>337,488</i>	<i>—</i>	<i>337,488</i>

2 Income from: investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Income from listed investments			
. UK Charity Authorised Investment Funds	322,133	97,804	419,937
2024 Total funds	322,133	97,804	419,937
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>Income from listed investments</i>			
<i>. UK Charity Authorised Investment Funds</i>	303,522	125,188	428,710
<i>2023 Total funds</i>	<i>303,522</i>	<i>125,188</i>	<i>428,710</i>

3 Expenditure on: Charitable activities – Charitable grants and donations

	Unrestricted funds £	Restricted funds £	2024 Total funds £
General donations	1,540	—	1,540
Contributions to the Congregation's Generalate	25,000	—	25,000
Contributions to Congregation's Generalate – correction	(80,000)	—	(80,000)
2024 Total funds	(53,460)	—	(53,460)

In 2023 contributions to the generalate were overstated by £80,000 and this has been corrected in 2024.

Notes to the accounts Year to 31 December 2024

3 Expenditure on: Charitable activities – Charitable grants and donations (continued)

	Unrestricted funds £	Restricted funds £	2023 Total funds £
<i>General donations</i>	3,188	—	3,188
<i>Contributions to the Congregation's Generalate</i>	1,138,164	—	1,138,164
2023 Total funds	1,141,352	—	1,141,352

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

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Premises	295,833	—	295,833
Facility management fee and related costs (see below)	996,013	97,804	1,093,817
Staff costs	12,009	—	12,009
Sisters' personal expenses	219,668	—	219,668
Education, training and spiritual renewal	13,558	—	13,558
Miscellaneous expenses	8,568	—	8,568
Governance (note 5)	241,797	—	241,797
2024 Total funds	1,787,446	97,804	1,885,250

	Unrestricted funds £	Restricted funds £	2023 Total funds £
<i>Premises</i>	290,238	—	290,238
<i>Facility management fee and related costs (see below)</i>	961,194	125,188	1,086,382
<i>Staff costs</i>	10,939	—	10,939
<i>Sisters' personal expenses</i>	179,308	—	179,308
<i>Education, training and spiritual renewal</i>	11,467	—	11,467
<i>Miscellaneous expenses</i>	9,549	—	9,549
<i>Governance (note 5)</i>	178,477	—	178,477
2023 Total funds	1,641,172	125,188	1,766,360

The charity outsources the management of its convent facility at Hackney to Neylons Facility Management.

5 Governance costs

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Auditor's fees	49,502	—	49,502
Legal fees	172,494	—	172,494
Other governance expenses	19,801	—	19,801
	241,797	—	241,797

Notes to the accounts Year to 31 December 2024

5 Governance costs (continued)

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>Auditor's fees</i>	58,980	—	58,980
<i>Legal fees</i>	62,115	—	62,115
<i>Other governance expenses</i>	57,382	—	57,382
	178,477	—	178,477

6 Net (expenditure) income before transfers and before gains (losses) on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Auditor's remuneration			
-Statutory audit services	28,114	—	28,114
-Statutory audit services – prior year	4,160	—	4,160
-Other services	17,228	—	17,228
Depreciation	158,363	—	158,363

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>Auditor's remuneration</i>			
<i>-Statutory audit services</i>	25,320	—	25,320
<i>-Statutory audit services – prior year</i>	6,180	—	6,180
<i>-Other services: Advisory</i>	27,480	—	27,480
<i>Depreciation</i>	157,385	—	157,385

7 Staff costs and remuneration of key management personnel

Since June 2022 the charity has outsourced the management of its convent facility at Hackney to Neylons Facility Management. All employees were transferred to Neylons Facility Management on 15 June 2022 under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). The charity has no permanent staff of its own.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £nil (2023 - £nil).

8 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2023 - none).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £34,713 (2023 - £55,245).

9 Taxation

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

10 Tangible fixed assets

	Freehold Non specialised £	Leasehold Non specialised £	Long leasehold Specialised £	Computers, furniture and equipment £	Motor vehicles £	Total £
Cost or deemed cost						
At 1 January 2024	2,069,446	326,164	5,757,757	874,363	116,666	9,144,396
Additions	—	—	—	130,536	—	130,536
Transfer to Religious Sisters of Charity CIO	(2,069,446)	(326,164)	(5,757,757)	(1,004,899)	(116,666)	(9,274,932)
At 31 December 2024	—	—	—	—	—	—
At cost	684,109	326,164	5,757,757	1,004,899	116,666	7,889,595
Deemed cost (1999 valuation)	1,385,337	—	—	—	—	1,385,337
Transfer to Religious Sisters of Charity CIO	(2,096,446)	(326,164)	(5,757,757)	(1,004,899)	(116,666)	(9,274,932)
	—	—	—	—	—	—
Depreciation						
At 1 January 2024	889,680	—	1,467,984	720,546	96,274	3,174,484
Charge for the year	—	—	115,155	35,582	7,626	158,363
Transfer to Religious Sisters of Charity CIO	(889,680)	—	(1,583,139)	(756,128)	(103,900)	(3,332,847)
At 31 December 2024	—	—	—	—	—	—
Net book values						
At 31 December 2024	—	—	—	—	—	—
At 31 December 2023	1,179,766	326,164	4,289,773	153,817	20,392	5,969,912

As permitted under Financial Reporting Standard 102 (FRS 102) the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat this valuation as deemed cost. Other tangible fixed assets are stated at cost.

Notes to the accounts Year to 31 December 2024

10 Tangible fixed assets (continued)

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts. The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

Capital commitments

At 31 December 2024, the charity had no capital commitments (2023 - none).

11 Programme related investments

	2024 £	2023 £
At 1 January 2024	389,762	389,762
Transfer to Religious Sisters of Charity CIO	(389,762)	—
At 31 December 2024	—	—

The charity owns a freehold property and on 30 October 2017 the property was made available to The Medaille Trust Limited (Charity Registration Number 1117830), a charity established to help the victims of human trafficking in the UK, for a ten year lease period at a peppercorn rent.

12 Investments

	Total 2024 £	Total 2023 £
Listed investments		
Fair (market) value at 1 January 2024	13,259,865	13,947,130
Disposal proceeds	(1,300,000)	(1,000,000)
Additions	600,000	—
Realised gains on disposal	11,472	3,418
Net unrealised investment gains	797,728	309,317
	13,369,065	13,259,865
Transfer to Religious Sisters of Charity CIO	(13,369,065)	—
Fair (market) value at 31 December 2024	—	13,259,865
Cost of listed investments transferred to the new CIO with effect from midnight on 31 December 2024	11,947,379	12,585,340

Net investment gains of £809,199 (2023 - gains of £219,918) are attributable to unrestricted funds and net investment gain of £nil (2023 - gain of £92,817) are attributable to restricted funds.

Notes to the accounts Year to 31 December 2024

12 Investments (continued)

Listed investments, all of which transferred to the new CIO with effect from midnight on 31 December 2024, comprised the following:

	2024 £	2023 £
UK Charity Authorised Investment Funds	13,369,065	13,259,865

The investments transferred to the new CIO at midnight on 31 December 2024 included the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	2024		2023	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
BlackRock Catholic Charities Growth & Income Fund	13,369,065	100%	13,254,809	99.96%

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

13 Debtors

	2024 £	2023 £
Prepayments	10,869	11,671
Investment income receivable	102,055	104,323
Accrued income – legacy receivable	362,000	—
Other debtors	—	4,583
	474,924	120,577
Transfer to Religious Sisters of Charity CIO	(474,924)	—
	—	120,577

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Amounts due to the Generalate of the Religious Sisters of Charity	25,000	54,702
Amount due to St Joseph's Hospice, Hackney	—	1,000
Accruals	223,682	190,835
	248,682	246,537
Transfer to Religious Sisters of Charity CIO	(248,682)	—
	—	246,537

Notes to the accounts Year to 31 December 2024

15 Restricted funds

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

	At 1 January 2024 £	Income £	Expenditure £	Gains/(Losses) £	Transfer to Religious Sisters of Charity CIO £	At 31 December 2024 £
Long term care fund	3,978,435	97,804	(97,804)	239,347	(4,217,782)	—
	3,978,435	97,804	(97,804)	239,347	(4,217,782)	—

	At 1 January 2023 £	Income £	Expenditure £	Losses £	Transfers £	At 31 December 2023 £
Long term care fund	3,885,618	125,188	(125,188)	92,817	—	3,978,435
	3,885,618	125,188	(125,188)	92,817	—	3,978,435

The long-term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

16 Tangible fixed assets fund

	2024 £	2023 £
At 1 January 2024	5,969,912	7,135,618
Net movement in year	(27,826)	(1,165,706)
	5,942,086	5,969,912
Transfer to Religious Sisters of Charity CIO	(5,942,086)	—
At 31 December 2024	—	5,969,912

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

17 Programme related investment fund

	2024 £	2023 £
At 1 January 2024	389,762	389,762
Transfer to Religious Sisters of Charity CIO	(389,762)	—
At 31 December 2024	—	389,762

The programme related investments fund represents the book value of the property assets classified as programme related investments i.e. the property owned by the charity but occupied by the Medaille Trust at a peppercorn rent for purposes consistent with the charitable objectives of the charity.

18 Designated funds

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

	At 1 January 2024 £	Released /added in year £	Transfer to Religious Sisters of Charity CIO £	At 31 December 2024 £
Sisters' retirement fund	6,750,000	—	(6,750,000)	—
Repairs and maintenance fund	250,000	—	(250,000)	—
	7,000,000	—	(7,000,000)	—

	At 1 January 2023 £	Released/ added in year £	At 31 December 2023 £
<i>Sisters' retirement fund</i>	6,750,000	—	6,750,000
<i>Repairs and maintenance fund</i>	250,000	—	250,000
	7,000,000	—	7,000,000

◆ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £10.9 million is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £4.24 million at 31 December 2024 and is part of the charity's restricted funds (note 15).

The designated fund comprises the balance of £6.7million set aside by the trustees in order to provide fully for the sisters in their retirement. The fund will be utilised over the expected lives of the sisters.

◆ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next four years.

Notes to the accounts Year to 31 December 2024

19 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2024 £
Fund balances at 31 December 2024 are represented by:						
Tangible fixed assets	—	—	—	—	—	—
Programme related investments	—	—	—	—	—	—
Investments	—	—	—	—	—	—
Net current assets	—	—	—	—	—	—
Total net assets	—	—	—	—	—	—

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:						
Tangible fixed assets	—	5,969,912	—	—	—	5,969,912
Programme related investments	—	—	389,762	—	—	389,762
Investments	2,281,430	—	—	7,000,000	3,978,435	13,259,865
Net current assets	127,963	—	—	—	—	127,963
Total net assets	2,409,393	5,969,912	389,762	7,000,000	3,978,435	19,747,502

The total unrealised gains as at 31 December 2024 constitute movements on revaluation and are as follows:

	2024 £	2023 £
Unrealised gains included above:		
On investments	1,421,686	674,525
Total unrealised gains at 31 December 2024	1,421,686	674,525
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2024	674,525	393,441
Less: released on disposals	(50,567)	(28,233)
Add: net gains (losses) arising on revaluation in the year	797,728	309,317
Total unrealised gains at 31 December 2024 prior to transfer to Religious Sisters of Charity CIO	1,421,686	674,525

20 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

Notes to the accounts Year to 31 December 2024

21 Related party transactions

With the exception of the transactions referred to in note 8 to these accounts, there were no other related party transactions (2023 - none).

22 Transfer of activities, assets and liabilities

At midnight on 31 December 2024 the activities, assets and liabilities of the Religious Sisters of Charity were transferred by a deed of transfer to Religious Sisters of Charity CIO.

The net assets transferred at midnight on 31 December 2024 comprised:

	£
Tangible fixed assets	
. Cost	9,274,932
. Depreciation	<u>(3,332,847)</u>
	5,942,086
Programme related investments	389,762
Investments	13,369,065
Cash at bank and in hand	165,314
Debtors	474,924
Creditors: amounts falling due within one year	<u>(248,682)</u>
	<u>20,092,469</u>

23 Post balance sheet events

On 31 December 2024 the activities, assets and liabilities of the charity were transferred to Religious Sisters of Charity CIO (Charity Registration Number 1206893). Following this transfer, the charity has been left with no assets and no liabilities. The intention is that the charity will remain dormant until such time as it is deemed appropriate for it to be removed from the Register of Charities.

RELIGIOUS SISTERS OF CHARITY

England & Wales - Charity number 231323

Accounts

**The Religious
Sisters of
Charity
Charitable
Trust**

Annual Report and Accounts

31 December 2023

Charity Registration Numbers
231323 (England and Wales) and
SC039185 (Scotland)

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Reference and administrative details about the charity, its trustees and its advisers

Trustees	Sister Mary Teresa Clarke Sister Patricia Lenihan Sister Alice McGilly Sister Catherine Egan
Provincial Superior	Sister Mary Teresa Clarke
Provincial Bursar	Sister Alice McGilly
Administrative address	St Joseph's Convent 36 Mare Street Hackney London E8 4AD
Telephone	020 8510 3675
E-mail	bursar@rsoccaritas.org
Charity registration number (England and Wales)	231323
Charity registration number (Scotland)	SC039185
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP
Investment managers	BlackRock Investment Management Limited 33 King William Street London EC4R 9AS
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Trustees' report Year to 31 December 2023

The trustees present their report together with the accounts of The Religious Sisters of Charity Charitable Trust (the "charity") for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction



The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Venerable Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution.

The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all Provincial and Community property used for its purpose in England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales (Charity Registration Number 231323) and with the Office of the Scottish Charities Regulator in Scotland (Charity Registration Number SC039185).

Mission



The English/Scottish Province of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

Worship and prayer

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none and are just present and available to listen and guide people with their daily problems and concerns.

Mission (continued)

Health care

Our mission is to bring the healing ministry of Christ to all who seek our care. A number of our sisters continue to work in Management and Chaplaincy within our associated Hospices.

Our core values urge us to strive to respect the uniqueness of each person created in the image and likeness of God; to accept people as they are, act with integrity, respecting the rights of all; to excel in all aspects of our healing ministry and create community characterised by harmony and collaboration.

Social and pastoral care

Many of our sisters continue to work in various forms of social and pastoral work in England and Scotland and covering all aspects of Church life. The sisters are a listening ear for those living alone, a sympathetic presence for the sick, isolated, fearful, bereaved and the lonely. We seek to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

Education

Currently, we do not have any formal involvement in education.

Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, health care, social and pastoral care. Each of these is considered in turn below.

Caring for members of the Congregation

In common with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. We now have 26 sisters in the Province. The average age of the sisters in this Province at present is 83 years.

The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have 10 members receiving care in our communities in London and Scotland. The trustees expect this number to increase over the next decade. In line with this, the trustees are giving careful consideration to the impact of this on individual members of the Province, the property requirements and the financial implications for the Congregation.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Worship and prayer

We, as a Congregation, are committed to spreading the Gospel through our shared worship with the local communities wherever we live, assisting them through prayer, study of the scriptures, public worship, music and the sacraments. The sisters are involved in a number of activities including:



- ◆ Praying with and accompanying the housebound, patients in nursing homes and the dying; and
- ◆ Working with groups, giving people the opportunity to take time to reflect, study and share the Gospel.

Health care

Our healthcare facilities in England and Scotland have been set up as separate charitable companies. Some sisters serve as trustees on each of the three hospice Boards.

Social and pastoral work

The following are some examples of the social and pastoral work undertaken by individual sisters:

- ◆ Working with homeless projects
- ◆ Volunteering and supporting Food Banks
- ◆ Working with agencies that support vulnerable individuals
- ◆ Pastoral care and chaplaincy in hospices and nursing homes
- ◆ Various justice and peace initiatives
- ◆ Bereavement support

The aims of the trustees with regard to social and pastoral care include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members of the Province to carry out meaningful social and pastoral work;
- ◆ To encourage and support members to work with and assist the poor and marginalised; and
- ◆ Wherever possible, to ensure sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and enables the sisters to continue to contribute and develop for the future.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Education

Currently we have no sisters formally involved in Education. However, our sisters support and participate in the provision of various programmes in parishes and associated hospices.

- ◆ As we work with vulnerable adults, the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service.

Review of activities

Worship and prayer

Our retired sisters commit themselves to prayerfully support the endeavours of the Congregation daily.

Our sisters continue to be available and endeavour to support the Local Parish in a variety of roles. Participation in Parish Liturgies and our roles as Eucharistic Ministers give witness to our continuing commitment to spreading the gospel.



Sisters involved in parish work give a large part of their time to visiting the frail elderly in their homes and bringing them Communion. This can often be the only human contact in the week for some individuals.

Our Sisters working in Parishes continue to provide Bereavement Care to those alone and who are isolated, sometimes over a long period of time.

Care of members of the Congregation

Our elderly sisters have devoted their lives to caring for others, working either in the education, health care or pastoral social work field. They continue to support those Ministries by prayer and intercession.



Sisters are supported to remain as active as possible and enjoy the various activities available. There are also the lovely secure gardens surrounding the convent where they can relax and enjoy the sunshine!

In 2022 after much reflection and consultation, the trustees, anticipating that increasing numbers of our sisters would need care and support and endeavouring to provide this care on a professional and stable basis, engaged Neylon's Facility Management to manage the Care Unit and provide Facility Management for our Convent at St Joseph's in Hackney, London.

This continues to work well, and we are very grateful to the Management and staff of Neylon's who continue to accommodate and support our sisters in care and retirement.

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

Chaplaincy

This ministry involves the provision of spiritual, pastoral and religious care to patients, relatives and staff across the hospices where our sisters visit.



The Chaplaincy Team in hospices are always happy to meet with any patient or family member who may feel vulnerable or low in spirits or who just wishes to talk.

A number of sisters are involved in this ministry, and while one sister receives a salary, others now work in a voluntary capacity.

Social and pastoral work



Throughout the year, our sisters continued to carry out various forms of social and pastoral work, many of them in a voluntary capacity.

For sisters working in Parishes this may involve just being available, supporting local Churches, networking with community groups, working with families, participating in prayer groups, working for justice and peace or with organisations such as CAFOD, acting as ministers of the Eucharist, visiting the housebound and assisting in the general work of a parish.

Education

Currently, we are no longer involved in formal education. However, a few of our members work alongside Parish and other initiatives.

Volunteering

Throughout the year, 15 sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The majority of sisters receive no financial contribution for this work which contributes to the overall achievement of the charity's objectives.

In addition, sisters are involved in the administration work of the Province and charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas. A few Sisters work in more than one area, giving their services where necessary.

Investment policy

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

Activities, specific objectives and relevant policies (continued)

Investment policy (continued)

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;
2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales; and
4. Any company producing pornography.

In addition, at our Chapter in 2019, we also agreed we would divest from fossil fuels.

Investment performance

At 31 December 2023, the charity had listed investments with a market value of £13,259,865 (2022 - £13,947,130). There are no restrictions on the charity's power to invest.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

Financial report for the year

A summary of the year's results can be found on page 22 of this annual report and accounts.

In the year to 31 December 2023, total income amounted to £771,125 (2022 - £1,177,542) with expenditure being £2,907,712 (2022 - £1,398,092).

The charity's income for the year ended 31 December 2023 comprises investment income, donations including sisters' salaries and pensions, and income from the sale of tangible fixed assets. Expenditure comprises donations and the costs of supporting members of the Congregation and their ministry. Donations for the year to 31 December made to the Congregation's Generalate were £1,138,164 (2022 - £25,000) following the disposal of a property.

Net expenditure before investment gains for the year amounted to £2,136,587 (2022 - net expenditure of £220,550). Investment gains were £312,735 (2022 - losses of £2,021,707) and the net expenditure and decrease in funds for the year, therefore, amounted to £1,823,852 (2022 - net expenditure and net decrease in funds of £2,242,257).

Financial report for the year (continued)

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works.

Because of the nature of the charity's activities, we are unable to reclaim the VAT input tax on our costs as income is exempt for VAT purposes. The charity has also paid tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare and to members of the Congregation and will enable the charity to cope and respond to unforeseen emergencies.

Financial position

The balance sheet shows total reserves of £19.7 million (2022 - £21.6 million).

Reserves policy and financial position (continued)

Financial position (continued)

£6.0 million (2022 - £7.1 million) is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies. In addition, £389,762 is represented by a property used for purposes consistent with the charity's objectives but by another organisation. This is shown on the balance sheet as the programme related investment fund.

Actuarial calculations performed during the period indicate that £9.4 million is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £4.0 million (2022 - £3.9 million) at the year end. The balance of the £6.8 million comprises a designated fund of £6.8 million.

£0.25 million (2022 - £0.25 million) has been set aside or designated for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £2,409,393 (2022 - £3,160,356). At 31 December 2023, the charity's free reserves fall within the parameters of the above policy. The trustees are content with this position at the present time. The trustees are conscious of the general economic and political uncertainties that exist globally and of the impact these uncertainties may have on world stock markets and the economy more generally.

In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the current macroeconomic and geopolitical concerns.

Future plans for 2024

Care Facility – St Joseph's Convent, Hackney - The trustees will continue to work closely with *Neylon's Facility Management* who provide the ongoing facility and care management of the St Joseph's Convent.

Charitable Incorporated Organisation (CIO) - The trustees will continue the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO) which will take place over the course of 2024. The Application was submitted to the Charity Commission in December 2023. The Trustees look forward to progressing to a CIO when the Registration is granted. This will aid in the efforts to modernise the structure, constitution and governance of the charity.

Future plans for 2024 (continued)

Changes in the model of Governance for England and Scotland - Over 2023, in view of the age profile of the Sisters and following a period of discernment, which was initiated by the Superior General and her General Leadership Team, the Governance structure has transitioned to a Community Leader and Trustees Model in January 2024. The Province of England and Scotland will therefore enter into a period of *Ad Experimentum*. The trustees of the province will continue to be the Provincial / Community Leader, the Congregational Leader and two members of Canonical area.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Province has been governed by the Provincial and her Council.

The Provincial and her Council are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Province. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Province, and to secure good skills mix among them.

Each community in the Province has a local leader, who is appointed by the Provincial. The Provincial is required to visit each community at least once a year. The Superior General or one of her team will visit the communities at least once every six years.

In terms of Civil law, the charity is governed by a trust deed dated 17 December 1962 and is a registered charity - Charity Registration No 231323 (England and Wales) and Charity Registration No SC039185 (Scotland). The trustees of the province are the Provincial, the Congregational Leader and two members of the Provincial Council.

Being members of the Congregation, the trustees' living, and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation, they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the current trustees are given below.

Governance, structure and management (continued)

Governance (continued)

Sister Mary Teresa Clarke, RSC



Sister Mary Teresa RSC was appointed Provincial Leader for the English and Scottish Province of the Congregation in January 2021. Sister Mary Teresa joined the Religious Sisters of Charity in 1977 and spent her early career working in Palliative Care Nursing and Management, in St Margaret's and St Andrew's Hospices. Sister later served as CEO in St Joseph's Hospice. During this time, she studied for a Diploma in Pastoral Theology (Heythrop College) and later, an MBA (Public Service Management). Sister Mary Teresa spent over 10 years employed in Her Majesty's Prison Service as a Roman Catholic Chaplain in the North West. In recent years Sister has worked in School Chaplaincy.

Sister Patricia Lenihan



Sister Patricia Lenihan is the Congregational Leader of the Religious Sister of Charity. She is originally from London, England but now living in Dublin, Ireland. She has a BA in Theology for Ministry from the University of London; an MA in Learning Disability Studies from Salford University, and a post-graduate Diploma in Web Design and Development from the University of London. In 2007 she was elected to serve on the General Leadership Team of the Congregation and was appointed Congregational Leader in July 2019.

Sister Alice McGilly, RSC



Sister Alice originally from Northern Ireland entered the Religious Sisters of Charity in Dublin. Her ministry has been in health care throughout the years. Except for a short period in Nigeria and latterly caring for frail elderly sisters, she served in various roles in the Congregations five Hospices - Cork and Dublin in Ireland, Clydebank and Airdrie in Scotland and Hackney, London. Her nursing qualifications were obtained in Belfast receiving, now known as, RGN and RM. In preparation for Palliative Care Community Nursing in London she did a District Nursing course. In later years she saw the need for further studies and did an MSc in Health Care Management. During 2020 she was appointed Province Bursar and continues to reside in the Hackney Community, London.

Sister Catherine Egan, RSC



Sister Catherine Egan joined the Religious Sisters of Charity in October 1967. Having qualified as a Nurse in 1980 her career has almost been entirely spent in the field of palliative care within the hospice setting. This included time as a Ward Sister at St Joseph's Hospice, London and moving to St Andrew's Hospice, Airdrie, Scotland in 1989 as Matron. Currently, she is the Director of Mission and a Member of the Senior Management Team at St Andrew's Hospice and with additional responsibility for the pastoral care of sick within the Hospice.

Governance, structure and management (continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

Governance, structure and management (continued)

Structure and management reporting (continued)

We now have 26 sisters at present in the English/Scottish Province living in seven different locations. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general, these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of providing pastoral care and support, this work is carried out on a voluntary basis.

In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Examples of some of the organisations, the sisters have worked with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Shrewsbury, Birmingham, Liverpool, Motherwell and Glasgow
- ◆ Wirral Irish Club, Birkenhead
- ◆ Jesuit Refugee Services, London
- ◆ St Vincent de Paul,
- ◆ UNANIMA International
- ◆ Medaille Trust
- ◆ TRAC, Restore

Governance, structure and management (continued)

Risk management

The trustees recognise their responsibility for the management of risks faced by the charity, the Congregation in England and Scotland and its individual members.

The areas identified for particular attention within our risk management strategy are:

Governance and management looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the care of the older and frail sisters, the members of the Congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province, at 31 December 2023, was 83 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Governance, structure and management (continued)

Risk management (continued)

- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS).
 - ◇ The trustees are grateful for the ongoing support and the extensive training programmes provided by the Religious Life Safeguarding Service (RLSS)
 - ◇ The trustees, acutely aware of the vital nature of this work and the diminishing number of sisters who would be able to support the Province in this new regulatory framework, have engaged a Designated Safeguarding Lead (DSL) to work with the trustees in all areas and support and update the sisters in all aspects of safeguarding.
 - ◇ The trustees are therefore committed to work with:
 - The Catholic Safeguarding Standards Agency (CSSA).
 - The Scottish Safeguarding Standards Agency (SCSSA)
- ◆ The charity donates sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not actively engage in fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Trustees' report Year to 31 December 2023

To members of the Province and all colleagues.

The trustees wish to record their thanks for the professionalism and commitment of all their colleagues and the individual sisters in this Province. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

A handwritten signature in cursive script that reads "Sr Mary Clarke, RSC". The signature is written in black ink on a light-colored background.

Trustee - Sister Mary Teresa Clarke

Approved by the trustees on: 20 August 2024

Independent auditor's report to the trustees of The Religious Sisters of Charity Charitable Trust

Opinion

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

In our opinion, the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

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

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

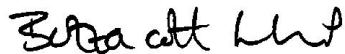
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report 31 December 2023

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

03 September 2024

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

Statement of financial activities Year to 31 December 2023

	Notes	Un- restricted funds £	Restricted funds £	2023 Total funds £	Un- restricted funds £	Restricted funds £	2022 Total funds £
Income from:							
Donations and legacies	1	337,488	—	337,488	347,689	379,950	727,639
Investment income and interest receivable	2	303,522	125,188	428,710	314,572	118,668	433,240
Other sources							
. Surplus on disposal of tangible fixed assets		1,850	—	1,850	14,301	—	14,301
. Miscellaneous sources		3,077	—	3,077	2,362	—	2,362
Total income		645,937	125,188	771,125	678,924	498,618	1,177,542
Expenditure on:							
Charitable activities							
. Charitable grants and donations	3	1,141,352	—	1,141,352	25,567	—	25,567
. Support of members of the Congregation and their ministry	4	1,641,172	125,188	1,766,360	1,253,857	118,668	1,372,525
Total expenditure		2,782,524	125,188	2,907,712	1,279,424	118,668	1,398,092
Net (expenditure) income before transfers and before gains (losses) on investments		(2,136,587)	—	(2,136,587)	(600,500)	379,950	(220,550)
Transfer between funds		—	—	—	379,950	(379,950)	—
Net (expenditure) before gains (losses) on investments		(2,136,587)	—	(2,136,587)	(220,550)	—	(220,550)
Net gains (losses) on investments	12	219,918	92,817	312,735	(1,468,350)	(553,357)	(2,021,707)
Net movement in funds		(1,916,669)	92,817	(1,823,852)	(1,688,900)	(553,357)	(2,242,257)
Reconciliation of funds:							
Total funds brought forward at 1 January 2023		17,685,736	3,885,618	21,571,354	19,374,636	4,438,975	23,813,611
Total funds carried forward at 31 December 2023		15,769,067	3,978,435	19,747,502	17,685,736	3,885,618	21,571,354

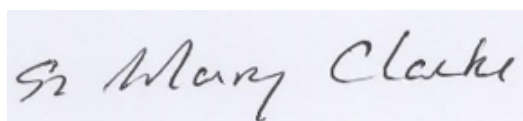
All activities of the charity derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	10		5,969,912		7,135,618
Programme related investments	11		389,762		389,762
Investments	12		13,259,865		13,947,130
			19,619,539		21,472,510
Current assets					
Debtors	13	120,577		145,601	
Cash at bank and in hand		253,923		234,189	
		374,500		379,790	
Liabilities					
Creditors: amounts falling due within one year	14	(246,537)		(280,946)	
Net current assets			127,963		98,844
Total net assets			19,747,502		21,571,354
Represented by:					
The funds of the charity					
Restricted funds	15		3,978,435		3,885,618
Unrestricted funds					
. General funds			2,409,393		3,160,356
. Tangible fixed assets fund	16		5,969,912		7,135,618
. Programme related investment fund	17		389,762		389,762
. Designated funds	18		7,000,000		7,000,000
Total funds			19,747,502		21,571,354

Approved by the trustees and signed
on their behalf by:



Trustee - Sister Mary Teresa Clarke

Approved by the trustees on: 20 August 2024

Charity Number: 231323

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(2,422,495)	(456,822)
Cash flows from investing activities:			
Investment income and interest received		432,058	431,371
Proceeds from the disposal of tangible fixed assets		1,063,691	14,301
Purchase of tangible fixed assets		(53,520)	(629,418)
Proceeds from the disposal of investments		1,000,000	400,000
Net cash provided by investing activities		2,442,229	216,254
Change in cash and cash equivalents in the year		19,734	(240,568)
Cash and cash equivalents at 1 January 2023	B	234,189	474,757
Cash and cash equivalents at 31 December 2023	B	253,923	234,189

Notes to the cash flow statement for the year to 31 December 2023

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(1,823,852)	(2,242,257)
Adjustments for:		
Depreciation charge	157,385	150,725
(Gains) losses on investments	(312,735)	2,021,707
Investment income and interest receivable	(428,710)	(433,240)
Surplus on disposal of tangible fixed assets	(1,850)	(14,301)
Decrease (increase) in debtors	21,676	(19,900)
(Decrease) increase in creditors	(34,409)	80,444
Net cash used in operating activities	(2,422,495)	(456,822)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	253,923	234,189

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2023

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2023 with comparative information provided for the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ determining amounts to be designated and, in particular, estimating the size of the sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

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

Principal accounting policies 31 December 2023

Assessment of going concern (continued)

The trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Principal accounting policies 31 December 2023

Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Principal accounting policies 31 December 2023

Support and governance costs (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat the 1999 valuations as deemed cost.

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.
- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods on order to write off each asset over its estimated useful economic life.

- ◇ Computer equipment 4 years
- ◇ Furniture 5 years
- ◇ Plant and similar assets 15 years

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight-line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments relate to a freehold property used by another charitable organisation for purposes consistent with the charity's objectives. The property is included at deemed cost.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Creditors and provisions

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

Fund structure

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

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

Principal accounting policies 31 December 2023

Fund structure (continued)

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

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

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

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Notes to the accounts Year to 31 December 2023

1 Income from: donations and legacies

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	335,303	—	335,303
Donations	1,693	—	1,693
Legacies	492	—	492
2023 Total funds	337,488	—	337,488
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2022 Total funds £</i>
<i>Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant</i>	<i>341,870</i>	<i>—</i>	<i>341,870</i>
<i>Donations</i>	<i>5,819</i>	<i>379,950</i>	<i>385,769</i>
<i>2022 Total funds</i>	<i>347,689</i>	<i>379,950</i>	<i>727,639</i>

2 Income from: investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income from listed investments			
. UK Charity Authorised Investment Funds	303,522	125,188	428,710
2023 Total funds	303,522	125,188	428,710
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2022 Total funds £</i>
<i>Income from listed investments</i>			
<i>. UK Charity Authorised Investment Funds</i>	<i>314,572</i>	<i>118,668</i>	<i>433,240</i>
<i>2022 Total funds</i>	<i>314,572</i>	<i>118,668</i>	<i>433,240</i>

3 Expenditure on: Charitable activities – Charitable grants and donations

	Unrestricted funds £	Restricted funds £	2023 Total funds £
General donations	3,188	—	3,188
Contributions to the Congregation's Generalate	1,138,164	—	1,138,164
2023 Total funds	1,141,352	—	1,141,352

Notes to the accounts Year to 31 December 2023

3 Expenditure on: Charitable activities – Charitable grants and donations (continued)

	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>General donations</i>	567	—	567
<i>Contributions to the Congregation's Generalate</i>	25,000	—	25,000
2022 Total funds	25,567	—	25,567

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

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Premises	290,238	—	290,238
Facility management fee and related costs (see below)	961,194	125,188	1,086,382
Staff costs	10,939	—	10,939
Sisters' personal expenses	179,308	—	179,308
Education, training and spiritual renewal	11,467	—	11,467
Miscellaneous expenses	9,549	—	9,549
Governance (note 5)	178,477	—	178,477
2023 Total funds	1,641,172	125,188	1,766,360

	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>Premises</i>	284,456	—	284,456
<i>Facility management fee and related costs (see below)</i>	468,870	—	468,870
<i>Staff costs</i>	171,767	118,668	290,435
<i>Sisters' personal expenses</i>	195,224	—	195,224
<i>Education, training and spiritual renewal</i>	8,659	—	8,659
<i>Miscellaneous expenses</i>	8,024	—	8,024
<i>Governance (note 5)</i>	116,857	—	116,857
2022 Total funds	1,253,857	118,668	1,372,525

From June 2022, the charity outsourced the management of its convent facility at Hackney to Neylons Facility Management.

5 Governance costs

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Audit fees	58,980	—	58,980
Legal fees	62,115	—	62,115
Other governance expenses	57,382	—	57,382
	178,477	—	178,477

Notes to the accounts Year to 31 December 2023

5 Governance costs (continued)

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2022 Total funds £</i>
<i>Audit fees</i>	27,097	—	27,097
<i>Legal fees</i>	41,417	—	41,417
<i>Other governance expenses</i>	48,343	—	48,343
	116,857	—	116,857

6 Net (expenditure) income before transfers and before gains (losses) on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Staff costs (note 7)	10,939	—	10,939
Auditor's remuneration			
-Statutory audit services	25,320	—	25,320
-Statutory audit services – prior year	6,180	—	6,180
-Other services	27,480	—	27,480
Depreciation	157,385	—	157,385

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2022 Total funds £</i>
<i>Staff costs (note 7)</i>	290,435	—	290,435
<i>Auditor's remuneration</i>			
- <i>Statutory audit services</i>	23,335	—	23,335
- <i>Other services: Advisory</i>	3,762	—	3,762
<i>Depreciation</i>	150,725	—	150,725

7 Staff costs and remuneration of key management personnel

	2023 Total funds £	2022 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	10,939	266,493
Social security costs	—	20,161
Other pension costs	—	3,781
	10,939	290,435
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	—	290,435

7 Staff costs and remuneration of key management personnel (continued)

From June 2022 the charity outsourced the management of its convent facility at Hackney to Neylons Facility Management. All employees were transferred to Neylons Facility Management on 15 June 2022 under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

No employee earned £60,000 per annum or more (including taxable benefits) during the year ended 31 December 2023 (2022 - none).

The average number of employees, analysed by function, for the year (period 5 June 2022 to 31 December 2022) was as follows:

	2023 No.	2022 No.
Support of members of the Congregation and their ministry	—	9

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £Nil (2022 - £nil).

8 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2022 - none).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £55,245 (2022 - £44,038).

9 Taxation

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

Notes to the accounts Year to 31 December 2023

10 Tangible fixed assets

	Freehold Non specialised £	Leasehold Non specialised £	Long leasehold Specialised £	Computers, furniture and equipment £	Motor vehicles £	Total £
Cost or deemed cost						
At 1 January 2023	3,131,287	326,164	5,757,757	837,412	106,097	10,158,717
Additions	—	—	—	36,951	16,569	53,520
Disposals	(1,061,841)	—	—	—	(6,000)	(1,067,841)
At 31 December 2023	<u>2,069,446</u>	<u>326,164</u>	<u>5,757,757</u>	<u>874,363</u>	<u>116,666</u>	<u>9,144,396</u>
At cost	684,109	326,164	5,757,757	874,363	116,666	7,759,059
Deemed cost (1999 valuation)	1,385,337	—	—	—	—	1,385,337
	<u>2,069,446</u>	<u>326,164</u>	<u>5,757,757</u>	<u>874,363</u>	<u>116,666</u>	<u>9,144,396</u>
Depreciation						
At 1 January 2023	889,680	—	1,352,829	689,626	90,964	3,023,099
Charge for the year	—	—	115,155	30,920	11,310	157,385
On disposals	—	—	—	—	(6,000)	(6,000)
At 31 December 2023	<u>889,680</u>	<u>—</u>	<u>1,467,984</u>	<u>720,546</u>	<u>96,274</u>	<u>3,174,484</u>
Net book values						
At 31 December 2023	<u>1,179,766</u>	<u>326,164</u>	<u>4,289,773</u>	<u>153,817</u>	<u>20,392</u>	<u>5,969,912</u>
At 31 December 2022	<u>2,241,607</u>	<u>326,164</u>	<u>4,404,928</u>	<u>147,786</u>	<u>15,133</u>	<u>7,135,618</u>

As permitted under Financial Reporting Standard 102 (FRS 102) the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat this valuation as deemed cost. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts. The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

Capital commitments

At 31 December 2023, the charity had no capital commitments (2022 - none).

11 Programme related investments

	2023 £	2022 £
At 1 January 2023 and 31 December 2023	389,762	389,762

The charity owns a freehold property and on 30 October 2017 the property was made available to The Medaille Trust Limited (Charity Registration Number 1117830), a charity established to help the victims of human trafficking in the UK, for a ten year lease period at a peppercorn rent.

Notes to the accounts Year to 31 December 2023

12 Investments

	Total 2023 £	Total 2022 £
Listed investments		
Fair (market) value at 1 January 2023	13,947,130	16,368,837
Disposal proceeds	(1,000,000)	(400,000)
Realised gains (losses) on disposal	3,418	(34,896)
Net unrealised investment gains (losses)	309,317	(1,986,811)
Fair (market) value at 31 December 2023	<u>13,259,865</u>	<u>13,947,130</u>
Cost of listed investments at 31 December 2023	<u>12,585,340</u>	<u>13,553,689</u>

Net investment gains of £219,918 (2022 - losses of £1,468,350) are attributable to unrestricted funds and net investment gain of £92,817 (2022 - losses of £553,357) are attributable to restricted funds.

Listed investments held at 31 December 2023 comprised the following:

	2023 £	2022 £
UK Charity Authorised Investment Funds	<u>13,259,865</u>	<u>13,947,130</u>

At 31 December 2023, the charity owned the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	2023		2022	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
BlackRock Catholic Charities Growth & Income Fund	<u>13,254,809</u>	<u>99.96%</u>	13,942,156	99.96%

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

13 Debtors

	2023 £	2022 £
Prepayments	11,671	16,643
Amount due from St Joseph's Hospice, Hackney	—	21,287
Investment income receivable	104,323	107,671
Other debtors	4,583	—
Total	<u>120,577</u>	<u>145,601</u>

Notes to the accounts Year to 31 December 2023

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts due to the Generalate of the Religious Sisters of Charity	54,702	25,000
Amounts due to the Irish Province of the Religious Sisters of Charity	—	38,700
Amount due to St Joseph's Hospice, Hackney	1,000	1,543
Accruals	190,835	215,703
	246,537	280,946

15 Restricted funds

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

	At 1 January 2023 £	Income £	Expenditure £	Gains/(Losses) £	Transfers £	At 31 December 2023 £
Long term care fund	3,885,618	125,188	(125,188)	92,817	—	3,978,435
	3,885,618	125,188	(125,188)	92,817	—	3,978,435

	At 1 January 2022 £	Income £	Expenditure £	Losses £	Transfers £	At 31 December 2022 £
Long term care fund	4,438,975	118,668	(118,668)	(553,357)	—	3,885,618
Property fund	—	379,950	—	—	(379,950)	—
	4,438,975	498,618	(118,668)	(553,357)	(379,950)	3,885,618

The long-term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

The property fund comprised monies received from the Congregation's Generalate for the purpose of acquiring property. In 2022 the property was purchased and the funds transferred to, and reflected in the net movement in, the tangible fixed assets fund (note 16).

16 Tangible fixed assets fund

	2023 £	2022 £
At 1 January 2023	7,135,618	6,656,925
Net movement in year	(1,165,706)	478,693
At 31 December 2023	5,969,912	7,135,618

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

Notes to the accounts Year to 31 December 2023

17 Programme related investment fund

	2023 £	2022 £
At 1 January and 31 December 2023	389,762	389,762

The programme related investments fund represents the book value of the property assets classified as programme related investments i.e. the property owned by the charity but occupied by the Medaille Trust at a peppercorn rent for purposes consistent with the charitable objectives of the charity.

18 Designated funds

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

	At 1 January 2023 £	Released/ added in year £	At 31 December 2023 £
Sisters' retirement fund	6,750,000	—	6,750,000
Repairs and maintenance fund	250,000	—	250,000
	7,000,000	—	7,000,000

	At 1 January 2022 £	Released/ added in year £	At 31 December 2022 £
<i>Sisters' retirement fund</i>	7,550,000	(800,000)	6,750,000
<i>Repairs and maintenance fund</i>	250,000	—	250,000
	7,800,000	(800,000)	7,000,000

◆ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £10.7 million is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £3.9 million at 31 December 2023 and is part of the charity's restricted funds (note 15).

The designated fund comprises the balance of £6.8 million set aside by the trustees in order to provide fully for the sisters in their retirement. The fund will be utilised over the expected lives of the sisters.

◆ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next four years.

Notes to the accounts Year to 31 December 2023

19 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:						
Tangible fixed assets	—	5,969,912	—	—	—	5,969,912
Programme related investments	—	—	389,762	—	—	389,762
Investments	2,281,430	—	—	7,000,000	3,978,435	13,259,865
Net current assets	127,963	—	—	—	—	127,963
Total net assets	2,409,393	5,969,912	389,762	7,000,000	3,978,435	19,747,502

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2022 £
<i>Fund balances at 31 December 2022 are represented by:</i>						
<i>Tangible fixed assets</i>	—	7,135,618	—	—	—	7,135,618
<i>Programme related investments</i>	—	—	389,762	—	—	389,762
<i>Investments</i>	3,061,512	—	—	7,000,000	3,885,618	13,947,130
<i>Net current assets</i>	98,844	—	—	—	—	98,844
Total net assets	3,160,356	7,135,618	389,762	7,000,000	3,885,618	21,571,354

The total unrealised gains as at 31 December 2023 constitute movements on revaluation and are as follows:

	2023 £	2022 £
Unrealised gains included above:		
On investments	674,525	393,441
Total unrealised gains at 31 December 2023	674,525	393,441
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	393,441	2,445,251
Less: released on disposals	(28,233)	(64,999)
Add: net gains (losses) arising on revaluation in the year	309,317	(1,986,811)
Total unrealised gains at 31 December 2023	674,525	393,441

20 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

Notes to the accounts Year to 31 December 2023

21 Related party transactions

With the exception of the transactions referred to in note 8 to these accounts, there were no other related party transactions (2022 - none).

22 Post balance sheet events

In order to modernise the structure, constitution and governance of the charity, the trustees have begun the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO). It is anticipated that this process will be completed over the course of 2024.

RELIGIOUS SISTERS OF CHARITY

England & Wales - Charity number 231323

Accounts

**The Religious
Sisters of
Charity
Charitable
Trust**

Annual Report and Accounts

31 December 2022

Charity Registration Numbers
231323 (England and Wales) and
SC039185 (Scotland)

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Reference and administrative details about the charity, its trustees and its advisers

Trustees	Sister Mary Teresa Clarke Sister Patricia Lenihan Sister Alice McGilly Sister Catherine Egan
Provincial Superior	Sister Mary Teresa Clarke
Provincial Bursar	Sister Alice McGilly
Administrative address	St Joseph's Convent 36 Mare Street Hackney London E8 4AD
Telephone	020 8510 3675
E-mail	bursar@rsoccaritas.org
Charity registration number (England and Wales)	231323
Charity registration number (Scotland)	SC039185
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP
Investment managers	BlackRock Investment Management Limited 33 King William Street London EC4R 9AS
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Trustees' report Year to 31 December 2022

The trustees present their report together with the accounts of The Religious Sisters of Charity Charitable Trust (the "charity") for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction



The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Venerable Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution.

The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all Provincial and Community property used for its purpose in England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales (Charity Registration Number 231323) and with the Office of the Scottish Charities Regulator in Scotland (Charity Registration Number SC039185).

Mission



The English/Scottish Province of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

Worship and prayer

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none and are just present and available to listen and guide people with their daily problems and concerns.

Mission (continued)

Health care

Our mission is to bring the healing ministry of Christ to all who seek our care. A number of our sisters continue to work in Management and Chaplaincy within our associated Hospices.

Our Vision is to strengthen and promote the healing mission of Christ through the provision of Catholic health care within our society. Drawing on the commitment and talents of our people, we will continue to form relevant and strategic relationships so that our health service continues to grow and provide quality care always with a special focus on caring for the poor, the disadvantaged and the marginalised.

Our core values urge us to strive to respect the uniqueness of each person created in the image and likeness of God; to accept people as they are, act with integrity, respecting the rights of all; to excel in all aspects of our healing ministry and create community characterised by harmony and collaboration.

Social and pastoral care

Many of our sisters continue to work in various forms of social and pastoral work in England and Scotland and covering all aspects of Church life. The sisters are a listening ear for those living alone, a sympathetic presence for the sick, isolated, fearful, bereaved and the lonely. We seek to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

Education

Currently through our Parish Ministries we continue to work to support vulnerable children and their families in Schools. The sisters working in Hospices continue to support staff by being involved in the various Education programmes centred on our Mission Statement and Core Values.

Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, health care, social and pastoral care, and education. Each of these is considered in turn below.

Caring for members of the Congregation

In common with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. We now have 26 sisters in the Province. The average age of the sisters in this Province at present is 81 years.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Caring for members of the Congregation (continued)

The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have 10 members receiving care in our communities in London and Scotland. The trustees expect this number to increase over the next decade. In line with this, the trustees are giving careful consideration to the impact of this on individual members of the Province, the property requirements and the financial implications for the Congregation.

Worship and prayer



We, as a Congregation, are committed to spreading the Gospel through our shared worship with the local communities wherever we live, assisting them through prayer, study of the scriptures, public worship, music and the sacraments. The sisters are involved in a number of activities including:

- ◆ Praying with and accompanying the housebound, patients in nursing homes and the dying; and
- ◆ Working with prayer groups in giving people, the opportunity to take time to reflect, study and share the Gospel.

Health care

Our healthcare facilities in England and Scotland have been set up as separate charitable companies. Some sisters serve as trustees on each of the three hospice Boards.

Social and pastoral work

The following are some examples of the social and pastoral work undertaken by individual sisters:

- ◆ Working in parishes, visiting, helping in catechetical programmes and helping parishioners develop their spiritual lives;
- ◆ Working with homeless projects.
- ◆ Working with agencies that support vulnerable individuals.
- ◆ Pastoral care/chaplaincy in hospitals, hospices, schools and nursing homes;
- ◆ Various justice and peace initiatives;
- ◆ Bereavement counselling/bereavement support groups.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Social and pastoral work (continued)



The aims of the trustees with regard to social and pastoral care include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members of the Province to carry out meaningful social and pastoral work;
- ◆ To encourage and support members to work with and assist the poor and marginalised;
- ◆ Wherever possible, to ensure sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and enables the sisters to continue to contribute and develop for the future.

Education

Currently we have no sisters formally involved in Education. However, our sisters support and participate in the provision of various programmes in parishes and associated hospices.

The trustees aim to enable members to continue to be involved, where possible, in the religious education of the children who do not attend Catholic schools, in the parishes where we live and work.

- ◆ As we work with vulnerable adults and children in the field of education, the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service; and

Activities, specific objectives and relevant policies (continued)

Review of activities

Worship and prayer

Our retired sisters commit themselves to prayerfully support the endeavours of the Congregation daily.

Our sisters continue to be available and endeavour to support the Local Parish in a variety of roles. Participation in Parish Liturgies and our roles as Eucharistic Ministers give witness to our continuing commitment to spreading the gospel.

Sisters involved in parish work give a large part of their time to visiting the frail elderly in their homes and bringing them Communion. This can often be the only human contact in the week for some individuals.

Our Sisters working in Parishes, continue to provide Bereavement Care to those alone and who are isolated, sometimes over a long period of time.

Care of members of the Congregation



Our elderly sisters have devoted their lives to caring for others, working either in the education, health care or pastoral social work field. They continue to support those Ministries by prayer and intercession.

Sisters are supported to remain as active as possible and enjoy the various activities available. There are also the lovely secure gardens surrounding the convent where they can relax and enjoy the sunshine!

In 2022 after much reflection and consultation, the trustees, anticipating that increasing numbers of our sisters would need care and support and endeavouring to provide this care on a professional and stable basis, have engaged Neylon's Facility Management to manage the Care Unit and provide Facility Management for our Convent at St Joseph's in Hackney, London.

We are very grateful to the Management and staff of Neylon's who continue to accommodate and support our sisters in care and retirement.

Chaplaincy

This ministry involves the provision of spiritual, pastoral and religious care to patients, relatives and staff across the hospice and hospitals where our sisters visit.

The Chaplaincy Team in hospices are always happy to meet with any patient or family member who may feel vulnerable or low in spirits or who just wishes to talk.

A number of sisters are involved in this ministry, and while one sister receives a salary, others now work in a voluntary capacity.



Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

Social and pastoral work

Throughout the year, our sisters continued to carry out various forms of social and pastoral work, many of them in a voluntary capacity.

For sisters working in Parishes this may involve just being available, networking with community groups, working with families, participating in prayer groups, working for justice and peace or with organisations such as CAFOD, acting as ministers of the Eucharist, visiting the housebound, helping with preparation for the sacraments and assisting in the general work of a parish.

Education

Currently, we are no longer involved in formal education. However, a few of our members work alongside Parish and other initiatives.

Volunteering

Throughout the year, 15 sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The majority of sisters receive no financial contribution for this work which contributes to the overall achievement of the charity's objectives.

In addition, the sisters are involved in the administration work of the Province and charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas. A few Sisters work in more than one area, giving their services where necessary.

During 2022, the shadow of the Covid Pandemic cleared allowing sisters once again to reach out and support vulnerable individuals in person. However, using the skills they learned during 2021, they have continued to employ technology wherever possible to aid them in their Ministries.

Investment policy

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;

Activities, specific objectives and relevant policies (continued)

Investment policy (continued)

2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales; and
4. Any company producing pornography.

In addition, at our Chapter in 2019, we also agreed we would divest from fossil fuels.

Investment performance

At 31 December 2022, the charity had listed investments with a market value of £13,947,130 (2021 - £16,368,837). There are no restrictions on the charity's power to invest.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

Financial report for the year

A summary of the year's results can be found on page 22 of this annual report and accounts.

In the year to 31 December 2022, total income amounted to £1,177,542 (2021 - £2,830,535) with expenditure being £1,398,092 (2021 - £3,673,177).

The charity's income for the year ended 31 December 2022 comprises investment income, donations including sisters' salaries and pensions, and income from the sale of tangible fixed assets. Expenditure comprises donations and the costs of supporting members of the Congregation and their ministry. Donations for the year to 31 December made to the Congregation's Generalate were £25,000 (2021: £2,531,914 following the disposal of a property).

Net expenditure before investment losses for the year amounted to £220,550 (2021 - net expenditure of £842,642). Investment losses were £2,021,707 (2021 – gains of £1,485,849) and the net expenditure and decrease in funds for the year, therefore, amounted to £2,242,257 (2021 – net income and net increase in funds of £643,207).

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works.

Financial report for the year (continued)

Because of the nature of the charity's activities, we are unable to reclaim the VAT input tax on our costs as income is exempt for VAT purposes. The charity has also paid tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare and to members of the Congregation and will enable the charity to cope and respond to unforeseen emergencies.

Financial position

The balance sheet shows total reserves of £21.6 million (2021 - £23.8 million).

£7.1 million (2021 - £6.7 million) is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies. In addition, £389,762 is represented by a property used for purposes consistent with the charity's objectives but by another organisation. This is shown on the balance sheet as the programme related investment fund.

Reserves policy and financial position (continued)

Financial position (continued)

Actuarial calculations performed during the period indicate that £10.7 million is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £3.9 million (2021 - £4.4 million) at the year end. The balance of the £6.8 million comprises a designated fund of £6.8 million.

£0.25 million (2021 - £0.25 million) has been set aside or designated for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £3,160,356 (2021 - £4,527,949). At 31 December 2022, the charity's free reserves fall within the parameters of the above policy. The trustees are content with this position at the present time. The trustees are conscious of the general economic and political uncertainties that exist globally and of the impact these uncertainties may have on world stock markets and the economy more generally.

In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the current macroeconomic and geopolitical concerns.

Future plans.

The trustees will continue to work closely with *Neylon's Facility Management* to provide the ongoing facility and care management of the St Joseph's Convent.

The trustees will continue the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO) which will take place over the course of 2023, in order to modernise the structure, constitution and governance of the charity.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Province is governed by the Provincial and her Council. The Provincial and her Council are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Province. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Province, and to secure good skills mix among them.

Governance, structure and management (continued)

Governance (continued)

Each community in the Province has a local leader, who is appointed by the Provincial. The Provincial is required to visit each community at least once a year. The Superior General or one of her team will visit the communities at least once every six years.

In terms of Civil law the charity is governed by a trust deed dated 17 December 1962 and is a registered charity – Charity Registration No 231323 (England and Wales) and Charity Registration No SC039185 (Scotland). The trustees of the province, are the Provincial, the Congregational Leader and two members of the Provincial Council. Being members of the Congregation, the trustees' living and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation, they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the current trustees are given below.

Sister Mary Teresa Clarke, RSC



Sister Mary Teresa RSC was appointed Provincial Leader for the English and Scottish Province of the Congregation in January 2021. Sister Mary Teresa joined the Religious Sisters of Charity in 1977 and spent her early career working in Palliative Care Nursing and Management, in St Margaret's and St Andrew's Hospices. Sister later served as CEO in St Joseph's Hospice. During this time, she studied for a Diploma in Pastoral Theology (Heythrop College) and later, an MBA (Public Service Management). Sister Mary Teresa spent over 10 years employed in Her Majesty's Prison Service as a Roman Catholic Chaplain in the North West. In recent years Sister has worked in School Chaplaincy.

Sister Patricia Lenihan



Sister Patricia Lenihan is the Congregational Leader of the Religious Sister of Charity. She is originally from London, England but now living in Dublin, Ireland. She has a BA in Theology for Ministry from the University of London; an MA in Learning Disability Studies from Salford University, and a post-graduate Diploma in Web Design and Development from the University of London. In 2007 she was elected to serve on the General Leadership Team of the Congregation and was appointed Congregational Leader in July 2019.

Governance, structure and management (continued)

Governance (continued)

Sister Alice McGilly, RSC



Sister Alice originally from Northern Ireland entered the Religious Sisters of Charity in Dublin. Her ministry has been in health care throughout the years. Except for a short period in Nigeria and latterly caring for frail elderly sisters, she served in various roles in the Congregations five Hospices - Cork and Dublin in Ireland, Clydebank and Airdrie in Scotland and Hackney, London. Her nursing qualifications were obtained in Belfast receiving, now known as, RGN and RM. In preparation for Palliative Care Community Nursing in London she did a District Nursing course. In later years she saw the need for further studies and did an MSc in Health Care Management. During 2020 she was appointed Province Bursar and continues to reside in the Hackney Community, London.

Sister Catherine Egan, RSC



Sister Catherine Egan joined the Religious Sisters of Charity in October 1967. Having qualified as a Nurse in 1980 her career has almost been entirely spent in the field of palliative care within the hospice setting. This included time as a Ward Sister at St Joseph's Hospice, London and moving to St Andrew's Hospice, Airdrie, Scotland in 1989 as Matron. Currently, she is the Director of Mission and a Member of the Senior Management Team at St Andrew's Hospice and with additional responsibility for the pastoral care of sick within the Hospice.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

We now have 26 sisters at present in the English/Scottish Province living in seven different locations. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general, these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of providing pastoral care and support, this work is carried out on a voluntary basis.

In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Governance, structure and management (continued)

Working with other organisations (continued)

Examples of some of the organisations, the sisters have worked with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Shrewsbury, Birmingham, Liverpool, Motherwell and Glasgow
- ◆ Thompson's Mission for the Homeless
- ◆ Wirral Irish Club, Birkenhead
- ◆ Jesuit Refugee Services, Wapping, London
- ◆ St Vincent de Paul, Birkenhead
- ◆ UNANIMA International
- ◆ Medaille Trust
- ◆ TRAC, Restore

Risk management

The trustees recognise their responsibility for the management of risks faced by the charity, the Congregation in England and Scotland and its individual members.

The areas identified for particular attention within our risk management strategy are:

Governance and management looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the care of the older and frail sisters, the members of the Congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Governance, structure and management (continued)

Risk management (continued)

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province, at 31 December 2022, was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS).
 - ◇ The trustees are grateful for the ongoing support and the extensive training programmes provided by the Religious Life Safeguarding Service (RLSS)
 - ◇ The trustees, over 2022, acutely aware of the vital nature of this work and the diminishing number of sisters who would be able to support the Province in this new regulatory framework, decided to engage a Designated Safeguarding Lead (DSL) to work with the trustees in all areas and support and update the sisters in all aspects of safeguarding.
 - ◇ The trustees are therefore committed to work with:
 - The Catholic Safeguarding Standards Agency (CSSA).
 - The Scottish Safeguarding Standards Agency (SCSSA)
- ◆ The charity donates sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.

Governance, structure and management (continued)

Risk management (continued)

- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not actively engage in fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

To members of the Province and all colleagues.

The trustees wish to record their thanks for the professionalism and commitment of all their colleagues and the individual sisters in this Province. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

Sister Mary Teresa Clarke

Trustee

Approved by the trustees on: 5th September 2023

Independent auditor's report to the trustees of The Religious Sisters of Charity Charitable Trust

Opinion

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

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report 31 December 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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

Independent auditor's report 31 December 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with section 44 (l)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 September 2023

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

Statement of financial activities Year to 31 December 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations and legacies	1	347,689	379,950	727,639	355,649	—	355,649
Investment income and interest receivable	2	314,572	118,668	433,240	310,733	113,452	424,185
Other sources							
. Surplus on disposal of tangible fixed assets	10	14,301	—	14,301	2,046,576	—	2,046,576
. Miscellaneous sources		2,362	—	2,362	4,125	—	4,125
Total income		678,924	498,618	1,177,542	2,717,083	113,452	2,830,535
Expenditure on:							
Charitable activities							
. Charitable grants and donations	3	25,567	—	25,567	2,534,743	—	2,534,743
. Support of members of the Congregation and their ministry	4	1,253,857	118,668	1,372,525	1,024,982	113,452	1,138,434
Total expenditure		1,279,424	118,668	1,398,092	3,559,725	113,452	3,673,177
Net (expenditure) income before transfers and before (losses) gains on investments	6	(600,500)	379,950	(220,550)	(842,642)	—	(842,642)
Transfer between funds		379,950	(379,950)	—	—	—	—
Net (expenditure) income before (losses) gains on investments		(220,550)	—	(220,550)	(842,642)	—	(842,642)
Net (losses) gains on investments	12	(1,468,350)	(553,357)	(2,021,707)	1,089,419	396,430	1,485,849
Net movement in funds		(1,688,900)	(553,357)	(2,242,257)	246,777	396,430	643,207
Reconciliation of funds:							
Total funds brought forward at 1 January 2022		19,374,636	4,438,975	23,813,611	19,127,859	4,042,545	23,170,404
Total funds carried forward at 31 December 2022		17,685,736	3,885,618	21,571,354	19,374,636	4,438,975	23,813,611

All activities of the charity derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	10		7,135,618		6,656,925
Programme related investments	11		389,762		389,762
Investments	12		13,947,130		16,368,837
			21,472,510		23,415,524
Current assets					
Debtors	13	145,601		123,832	
Cash at bank and in hand		234,189		474,757	
		379,790		598,589	
Liabilities					
Creditors: amounts falling due within one year	14	(280,946)		(200,502)	
Net current assets			98,844		398,087
Total net assets			21,571,354		23,813,611
Represented by:					
The funds of the charity					
Restricted funds	15		3,885,618		4,438,975
Unrestricted funds					
. General funds			3,160,356		4,527,949
. Tangible fixed assets fund	16		7,135,618		6,656,925
. Programme related investment fund	17		389,762		389,762
. Designated funds	18		7,000,000		7,800,000
Total funds			21,571,354		23,813,611

Approved by the trustees and signed
on their behalf by:

Sister Mary Teresa Clarke

Trustee

Approved by the trustees on: 5th September 2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(456,822)	(3,204,934)
Cash flows from investing activities:			
Investment income and interest received		431,371	421,242
Proceeds from the disposal of tangible fixed assets		14,301	2,682,881
Purchase of tangible fixed assets		(629,418)	(68,608)
Proceeds from the disposal of investments		400,000	300,000
Net cash provided by investing activities		216,254	3,335,515
Change in cash and cash equivalents in the year		(240,568)	130,581
Cash and cash equivalents at 1 January 2022	B	474,757	344,176
Cash and cash equivalents at 31 December 2022	B	234,189	474,757

Notes to the cash flow statement for the year to 31 December 2022

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(2,242,257)	643,207
Adjustments for:		
Depreciation charge	150,725	144,591
Losses (gains) on investments	2,021,707	(1,485,849)
Investment income and interest receivable	(433,240)	(424,185)
Surplus on disposal of tangible fixed assets	(14,301)	(2,046,576)
Increase in debtors	(19,900)	(11)
Increase (decrease) in creditors	80,444	(36,111)
Net cash used in operating activities	(456,822)	(3,204,934)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	234,189	474,757

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2022

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2022 with comparative information provided for the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ estimating the probability of the receipt of legacies;
- ◆ determining amounts to be designated and, in particular, estimating the size of the sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

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

Assessment of going concern (continued)

The trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Principal accounting policies 31 December 2022

Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Principal accounting policies 31 December 2022

Support and governance costs (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat the 1999 valuations as deemed cost.

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.
- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods in order to write off each asset over its estimated useful economic life.

- ◇ Computer equipment 4 years
- ◇ Furniture 5 years
- ◇ Plant and similar assets 15 years

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight-line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments relate to a freehold property used by another charitable organisation for purposes consistent with the charity's objectives. The property is included at deemed cost.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Creditors and provisions

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

Fund structure

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

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

Principal accounting policies 31 December 2022

Fund structure (continued)

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

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

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

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Notes to the accounts Year to 31 December 2022

1 Income from: donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	341,870	—	341,870
Donations	5,819	379,950	385,769
2022 Total funds	347,689	379,950	727,639
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2021 Total funds £</i>
<i>Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant</i>	<i>353,881</i>	<i>—</i>	<i>353,881</i>
<i>Donations</i>	<i>1,768</i>	<i>—</i>	<i>1,768</i>
<i>2021 Total funds</i>	<i>355,649</i>	<i>—</i>	<i>355,649</i>

2 Income from: investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income from listed investments . UK Charity Authorised Investment Funds			
2022 Total funds	314,572	118,668	433,240
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2021 Total funds £</i>
<i>Income from listed investments . UK Charity Authorised Investment Funds</i>			
<i>2021 Total funds</i>	<i>310,733</i>	<i>113,452</i>	<i>424,185</i>

3 Expenditure on: Charitable activities – Charitable grants and donations

	Unrestricted funds £	Restricted funds £	2022 Total funds £
General donations	567	—	567
Contributions to the Congregation's Generalate	25,000	—	25,000
2022 Total funds	25,567	—	25,567

Notes to the accounts Year to 31 December 2022

3 Expenditure on: Charitable activities – Charitable grants and donations (continued)

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2021 Total funds £</i>
<i>General donations</i>	2,829	—	2,829
<i>Contributions to the Congregation's Generalate</i>	2,531,914	—	2,531,914
<i>2021 Total funds</i>	2,534,743	—	2,534,743

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

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Premises	284,456	—	284,456
Facility management fee and related costs (see below)	468,870	—	468,870
Staff costs	171,767	118,668	290,435
Sisters' personal expenses	195,224	—	195,224
Education, training and spiritual renewal	8,659	—	8,659
Miscellaneous expenses	8,024	—	8,024
Governance (note 5)	116,857	—	116,857
2022 Total funds	1,253,857	118,668	1,372,525

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2021 Total funds £</i>
<i>Premises</i>	274,257	—	274,257
<i>Staff costs</i>	435,654	113,452	549,106
<i>Sisters' personal expenses</i>	195,743	—	195,743
<i>Education, training and spiritual renewal</i>	6,734	—	6,734
<i>Miscellaneous expenses</i>	16,715	—	16,715
<i>Governance (note 5)</i>	95,879	—	95,879
<i>2021 Total funds</i>	1,024,982	113,452	1,138,434

From June 2022, the charity outsourced the management of its convent facility at Hackney to Neylons Facility Management.

5 Governance costs

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Audit fees	27,097	—	27,097
Legal fees	41,417	—	41,417
Other governance expenses	48,343	—	48,343
	116,857	—	116,857

Notes to the accounts Year to 31 December 2022

5 Governance costs (continued)

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Audit fees	21,134	—	21,134
Legal fees	18,908	—	18,908
Other governance expenses	55,837	—	55,837
	95,879	—	95,879

6 Net (expenditure) income before transfers and before (losses) gains on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs (note 7)	290,435	—	290,435
Auditor's remuneration			
-Statutory audit services	23,335	—	23,335
-Other services: Advisory	3,762	—	3,762
Depreciation	150,725	—	150,725

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs (note 7)	435,654	113,452	549,106
Auditor's remuneration			
-statutory audit services	19,646	—	19,646
-Other services: Advisory	1,488	—	1,488
Depreciation	144,591	—	144,591

7 Staff costs and remuneration of key management personnel

	2022 Total funds £	2021 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	266,493	494,654
Social security costs	20,161	43,736
Other pension costs	3,781	10,716
	290,435	549,106
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	290,435	549,106

From June 2022 the charity outsourced the management of its convent facility at Hackney to Neylons Facility Management. All employees were transferred to Neylons Facility Management on 15 June 2022 under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Notes to the accounts Year to 31 December 2022

7 Staff costs and remuneration of key management personnel (continued)

No employee earned £60,000 per annum or more (including taxable benefits) during the year ended 31 December 2022 (2021 – none).

The average number of employees, analysed by function, for the period to 15 June 2022 (year to 31 December 2021) was as follows:

	2022 No.	2021 No.
Support of members of the Congregation and their ministry	9	21

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £nil (2021 - £nil).

8 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2021 – none).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £44,038 (2021 - £40,207).

9 Taxation

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

10 Tangible fixed assets

	Freehold Non specialised £	Leasehold Non specialised £	Long leasehold Specialised £	Computers, furniture and equipment £	Motor vehicles £	Total £
Cost or deemed cost						
At 1 January 2022	2,857,883	—	5,757,757	815,831	122,823	9,554,294
Additions	273,404	326,164	—	21,581	8,269	629,418
Disposals	—	—	—	—	(24,995)	(24,995)
At 31 December 2022	<u>3,131,287</u>	<u>326,164</u>	<u>5,757,757</u>	<u>837,412</u>	<u>106,097</u>	10,158,717
At cost	1,745,950	326,164	5,757,757	837,412	106,097	8,773,380
Deemed cost (1999 valuation)	1,385,337	—	—	—	—	1,385,337
	<u>3,131,287</u>	<u>326,164</u>	<u>5,757,757</u>	<u>837,412</u>	<u>106,097</u>	10,158,337
Depreciation						
At 1 January 2022	889,680	—	1,237,674	662,196	107,819	2,897,369
Charge for the year	—	—	115,155	27,430	8,140	150,725
On disposals	—	—	—	—	(24,995)	(24,995)
At 31 December 2022	<u>889,680</u>	<u>—</u>	<u>1,352,829</u>	<u>689,626</u>	<u>90,964</u>	3,023,099
Net book values						
At 31 December 2022	<u>2,241,607</u>	<u>326,164</u>	<u>4,404,928</u>	<u>147,786</u>	<u>15,133</u>	7,135,618
At 31 December 2021	<u>1,968,203</u>	<u>—</u>	<u>4,520,083</u>	<u>153,635</u>	<u>15,004</u>	6,656,925

As permitted under Financial Reporting Standard 102 (FRS 102) the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat this valuation as deemed cost. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts. The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

During the year, the charity disposed of three cars realising a surplus of £14,301.

Capital commitments

At 31 December 2022, the charity had no capital commitments (2021 - £260,000 in respect to additions of freehold non-specialised property additions that had been authorised but not contracted for).

Notes to the accounts Year to 31 December 2022

11 Programme related investments

	2022 £	2021 £
At 1 January 2022 and 31 December 2022	389,762	389,762

The charity owns a freehold property and on 30 October 2017 the property was made available to The Medaille Trust Limited (Charity Registration Number 1117830), a charity established to help the victims of human trafficking in the UK, for a ten year lease period at a peppercorn rent.

12 Investments

	Total 2022 £	Total 2021 £
Listed investments		
Fair (market) value at 1 January 2022	16,368,837	15,182,988
Disposal proceeds	(400,000)	(300,000)
Realised (losses) gains on disposal	(34,896)	25,015
Net unrealised investment (losses) gains	(1,986,811)	1,460,834
Fair (market) value at 31 December 2022	13,947,130	16,368,837
Cost of listed investments at 31 December 2022	13,553,689	13,923,586

Net investment losses of £1,468,350 (2021 - gains of £1,089,419) are attributable to unrestricted funds and net investment losses of £553,357 (2021 - gains of £396,430) are attributable to restricted funds.

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
UK Charity Authorised Investment Funds	13,947,130	16,368,837

At 31 December 2022, the charity owned the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	2022		2021	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
BlackRock Catholic Charities Growth & Income Fund	13,942,156	99,96%	16,362,575	99.96%

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

Notes to the accounts Year to 31 December 2022

13 Debtors

	2022 £	2021 £
Prepayments	16,643	18,030
Amount due from St Joseph's Hospice, Hackney	21,287	—
Investment income receivable	128,958	105,802
Total	145,601	123,832

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts due to the Generalate of the Religious Sisters of Charity	25,000	25,000
Amounts due to the Irish Province of the Religious Sisters of Charity	38,700	58,050
Amount due to St Joseph's Hospice, Hackney	1,543	86,246
Accruals	215,703	31,206
	280,946	200,502

15 Restricted funds

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

	At 1 January 2022 £	Income £	Expenditure £	Losses £	Transfers £	At 31 December 2022 £
Long term care fund	4,438,975	118,668	(118,668)	(553,357)	—	3,885,618
Property fund	—	379,950	—	—	(379,950)	—
	4,438,975	498,618	(118,668)	(553,357)	(379,950)	3,885,618

	At 1 January 2021 £	Income £	Expenditure £	Gains £	Transfers £	At 31 December 2021 £
<i>Long term care fund</i>	4,042,545	113,452	(113,452)	396,430	—	4,438,975

The long term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

The property fund comprised monies received from the Congregation's Generalate for the purpose of acquiring property. The property was duly purchased during the year and the funds have been transferred to, and reflected in the net movement in, the tangible fixed assets fund (note 16).

Notes to the accounts Year to 31 December 2022

16 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	6,656,925	7,369,213
Net movement in year	478,693	(712,288)
At 31 December 2022	7,135,618	6,656,925

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

17 Programme related investment fund

	2022 £	2021 £
At 1 January and 31 December 2022	389,762	389,762

The programme related investments fund represents the book value of the property assets classified as programme related investments i.e. the property owned by the charity but occupied by the Medaille Trust at a peppercorn rent for purposes consistent with the charitable objectives of the charity.

18 Designated funds

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

	At 1 January 2022 £	Released/ added in year £	At 31 December 2022 £
Sisters' retirement fund	7,550,000	(800,000)	6,750,000
Repairs and maintenance fund	250,000	—	250,000
	7,800,000	(800,000)	7,000,000

	At 1 January 2021 £	Released/ added in year £	At 31 December 2021 £
<i>Sisters' retirement fund</i>	7,550,000	—	7,550,000
<i>Repairs and maintenance fund</i>	250,000	—	250,000
	7,800,000	—	7,800,000

Notes to the accounts Year to 31 December 2022

18 Designated funds (continued)

◆ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £10.7 million is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £3.9 million at 31 December 2022 and is part of the charity's restricted funds (note 15).

The designated fund comprises the balance of £6.8 million set aside by the trustees in order to provide fully for the sisters in their retirement. The fund will be utilised over the expected lives of the sisters.

◆ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next four years.

19 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022 are represented by:						
Tangible fixed assets	—	7,135,618	—	—	—	7,135,618
Programme related investments	—	—	389,762	—	—	389,762
Investments	3,061,512	—	—	7,000,000	3,885,618	13,947,130
Net current assets	98,844	—	—	—	—	98,844
Total net assets	3,160,356	7,135,618	389,762	7,000,000	3,885,618	21,571,354

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2021 £
<i>Fund balances at 31 December 2021 are represented by:</i>						
<i>Tangible fixed assets</i>	—	6,656,925	—	—	—	6,656,925
<i>Programme related investments</i>	—	—	389,762	—	—	389,762
<i>Investments</i>	4,129,862	—	—	7,800,000	4,438,975	16,368,837
<i>Net current assets</i>	398,087	—	—	—	—	398,087
Total net assets	4,527,949	6,656,925	389,762	7,800,000	4,438,975	23,813,611

Notes to the accounts Year to 31 December 2022

19 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2022 constitute movements on revaluation and are as follows:

	2022 £	2021 £
Unrealised gains included above:		
On investments	393,441	2,445,251
Total unrealised gains at 31 December 2022	393,441	2,445,251
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	2,445,251	1,002,579
Less: released on disposals	(64,999)	(18,162)
Add: net (losses) gains arising on revaluation in the year	(1,986,811)	1,460,834
Total unrealised gains at 31 December 2022	393,441	2,445,251

20 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

21 Related party transactions

With the exception of the transactions referred to in note 8 to these accounts, there were no other related party transactions (2021 - none).

22 Post balance sheet events

- ◆ Since 31 December 2022, the charity has accepted an offer of £1.15million in respect to the sale of its freehold property in Acton, London and the sale completed in April 2023. At 31 December 2022, the property had a net book value of £1.06 million.
- ◆ In order to modernise the structure, constitution and governance of the charity, the trustees have begun the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO). It is anticipated that this process will be completed over the course of 2023.

RELIGIOUS SISTERS OF CHARITY

England & Wales - Charity number 231323

Accounts

**The Religious
Sisters of
Charity
Charitable
Trust**

Annual Report and Accounts

31 December 2021

Charity Registration Numbers
231323 (England and Wales) and
SC039185 (Scotland)

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Reference and administrative details about the charity, its trustees and its advisers

Trustees	Sister Mary Teresa Clarke (appointed 9 January 2021) Sister Patricia Lenihan (appointed 9 January 2021) Sister Alice McGilly (appointed 9 January 2021) Sister Catherine Egan (appointed 9 January 2021) Sister Mary Byrne (resigned 9 January 2021) Sister Rita Dawson MBE (resigned 9 January 2021) Sister Frances Rankin (resigned 9 January 2021) Sister Pauline Smith (resigned 9 January 2021)
Provincial Superior	Sister Mary Teresa Clarke (from 9 January 2021) Sister Rita Dawson MBE (until 9 January 2021)
Provincial Bursar	Sister Alice McGilly
Administrative address	St Joseph's Convent 36 Mare Street Hackney London E8 4AD
Telephone	020 8510 3675
E-mail	bursar@rsoccaritas.org
Charity registration number (England and Wales)	231323
Charity registration number (Scotland)	SC039185
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP
Investment managers	BlackRock Investment Management Limited 33 King William Street London EC4R 9AS

Reference and administrative details about the charity, its trustees and its advisers

Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
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Trustees' report Year to 31 December 2021

The trustees present their report together with the accounts of The Religious Sisters of Charity Charitable Trust (the "charity") for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 29 to 34 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Venerable Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution.



The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all Provincial and Community property used for its purpose in

England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales (Charity Registration Number 231323) and with the Office of the Scottish Charities Regulator in Scotland (Charity Registration Number SC039185).

Mission



The English/Scottish Province of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

Worship and prayer

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none and are just present and available to listen and guide people with their daily problems and concerns.

Mission (continued)

Health care

Our mission is to bring the healing ministry of Christ to all who seek our care. A number of our sisters continue to work in Management and Chaplaincy within our associated Hospices.

Our Vision is to strengthen and promote the healing mission of Christ through the provision of Catholic health care within our society. Drawing on the commitment and talents of our people, we will continue to form relevant and strategic relationships so that our health service continues to grow and provide quality care always with a special focus on caring for the poor, the disadvantaged and the marginalised.

Our core values urge us to strive to respect the uniqueness of each person created in the image and likeness of God; to accept people as they are, act with integrity, respecting the rights of all; to excel in all aspects of our healing ministry and create community characterised by harmony and collaboration.

Social and pastoral care

Many of our sisters work in various forms of social and pastoral work in England and Scotland, including those isolated at home and families. A number of sisters are involved in Social/Pastoral Ministries which are expressed through Parish Ministry covering all aspects of Church life. The sisters are a listening ear for those living alone, a sympathetic presence for the sick, isolated, fearful, bereaved and the lonely. We seek to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

Education

Currently through our Parish Ministries we continue to work to support vulnerable children and their families in Schools. The sisters working in Hospices continue to support staff by being involved in the various Education programmes centred on our Mission Statement and Core Values.

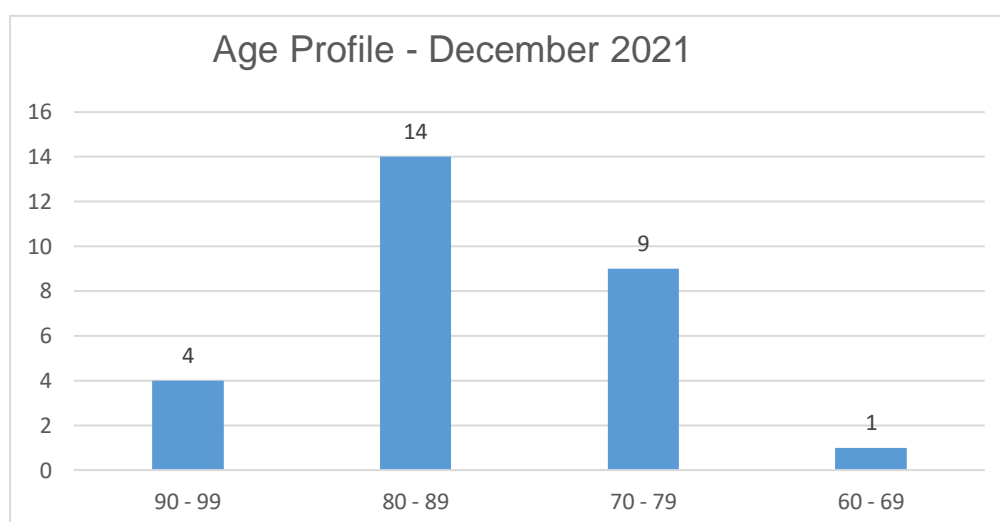
Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, health care, social and pastoral care, and education. Each of these is considered in turn below.

Caring for members of the Congregation

In common with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. We now have 28 sisters in the Province. The average age of the sisters in this Province at present is 80 years.



The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have eleven members receiving care in our communities in London and Scotland. The trustees expect this number to increase over the next decade. In line with this, the trustees are giving careful consideration to the impact of this on individual members of the Province, the property requirements and the financial implications for the Congregation.

Therefore, the aims of the trustees for the forthcoming year include:

- ◆ To ensure all members of the Province receive the high level of care they require to provide them with an appropriate quality of life.
- ◆ This will safeguard that sisters needing care and support with daily tasks receive the help they need. All our older members are encouraged to keep active and involved in various forms of Ministry and activity.
- ◆ To review the facility and management of the charity's properties used as community houses at all levels. To continue to monitor on a regular basis the needs of our frail elderly sisters ensuring and maintaining a safe environment.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Caring for members of the Congregation (continued)

- ◆ To enable all members of the Province to continue with their individual ministries for as long as possible. To ensure that sisters who use cars for their ministry are safe to do so, as they get older.
- ◆ To ensure Advance Care Plans are accurate and up to date and set out clearly the wishes of sisters should it ever become difficult for them to make decisions or if there was an emergency.

Worship and prayer

We, as a Congregation, are committed to spreading the Gospel through our shared worship with the local communities wherever we live, assisting them through prayer, study of the scriptures, public worship, music and the sacraments. The sisters are involved in a number of activities including:

- ◆ Providing religious instruction and spiritual direction on a one-to-one basis;
- ◆ Praying with the housebound, patients in nursing homes and the dying; and
- ◆ Organising and hosting prayer groups, giving members of the public from all walks of life the opportunity to take time to reflect and contemplate, and to avail of time to study and share in the Gospel stories.



Health care

Our healthcare facilities in England and Scotland have been set up as separate charitable companies, but we have two to three members serving as trustees on each of the three hospice Boards.

Social and pastoral work

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

- ◆ Working in parishes, visiting, helping in catechetical programmes and helping parishioners develop their spiritual lives;
- ◆ Community social work with the homeless;
- ◆ Working in food banks;
- ◆ Pastoral care/chaplaincy in hospitals, hospices, schools and nursing homes;
- ◆ Advocacy and support for asylum seekers and refugees;
- ◆ Working with agencies that support vulnerable individuals.
- ◆ Various justice and peace initiatives;
- ◆ Facilitating and leading prayer groups; and
- ◆ Bereavement counselling/bereavement support groups.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Social and pastoral work (continued)

The aims of the trustees in this area include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members of the Province to carry out meaningful social and pastoral work;
- ◆ To encourage and motivate members to work with and assist the poor and marginalised;
- ◆ Wherever possible, to ensure sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and enables the sisters to continue to contribute and develop for the future.

Education

The following are some of the areas where our sisters work in the field of education:

- ◆ Providing courses on communication skills, team building, management skills, presentation skills and time management;
- ◆ Organising and running the Mission Effectiveness Programme in healthcare establishments and giving input on the Mission and Core Values;
- ◆ Providing catechesis in the parishes, where children attend non-Catholic schools.

The aims of the trustees in this area include:

- ◆ As we work with vulnerable adults and children, the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service; and
- ◆ Enabling members to continue to be involved, where possible, in the religious education of the children who do not attend Catholic schools, in the parishes where we live and work.

Volunteers

Throughout the year 15 sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The majority of sisters receive no financial contribution for this work which contributes to the overall achievement of the charity's objectives. In addition, the sisters are involved in the administration work of the Province and charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas.

A few Sisters work in more than one area, giving their services where necessary.

During 2021, despite the continuing shadow of the Covid Pandemic and the various periods of restrictions, sisters used every opportunity to reach out and support those vulnerable individuals they feel such strong commitments to. Indeed, over this time while sisters were being advised to take care, they continued to support others in person and using whatever technology would aid them in their Ministries.

Trustees' report Year to 31 December 2021

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Volunteers (continued)

MINISTRY ACTIVITY OVER 2021.

ANTI HUMAN TRAFFICKING AND CARE OF THE EARTH.

ACTIVITY	NUMBERS REACHED
WORKSHOPS - Training, Awareness Raising and Conferences	505
SUPPORT AND ADVOCACY	1,150
TOTAL	1,655

SOCIAL AND PASTORAL

ACTIVITY	NUMBERS REACHED
COUNSELLING	25
SPIRITUAL DIRECTION - Retreats, Workshops	66
ORPHANS & VULNERABLE CHILDREN	40
SKILLS ACQUISITION	5
ASYLUM SEEKERS/REFUGEES	109
ADULT LITERACY	8
VISITATION OF ELDERLY	739
HOME VISITATION / OUTREACH	255
RELIGIOUS EDUCATION- (RCIA, Formation for Ministry)	467
PASTORAL OUTREACH – Homeless, Befriending, Food Banks, Bereavement care, Volunteer Groups and Staff Support	12,378
TOTAL	14,092

EDUCATION

ACTIVITY	NUMBERS REACHED
PRIMARY	9
TOTAL	9

HEALTH CARE – HOSPICE

ACTIVITY	NUMBERS REACHED
PALLIATIVE CARE	500
OTHER - Chaplaincy/Pastoral, Bereavement, Mission Team, Services, Outreach	6,161
TOTAL	6,661

Activities, specific objectives and relevant policies (continued)

Review of activities

Worship and prayer

Our sisters are involved in various areas of catechesis in parishes, through Sacramental programmes such as RCIA, prayer groups and one-to-one meetings with people in the local parishes.

Sisters continue to be available and endeavour to support the Local Parish in a variety of roles.

The Sisters' participation in Parish Liturgies and our roles as Eucharistic Ministers give witness to our continuing commitment to spreading the gospel.

Sisters involved in parish work give a large part of their time to visiting the frail elderly in their homes and bringing them Communion. This can prove to be the only human contact in the week for some individuals.

Our Sisters working in Parishes, continue to provide Bereavement Care often to those alone and isolated sometimes over a long period of time.

Many of our sisters are also committed to working with Youth, especially in the more deprived areas. They can offer these young people a more relevant view of the church to their age, with emphasis on justice and peace and the dignity of each one.

Care of members of the Congregation

Our elderly sisters who have devoted their lives to caring for others, working either in the education, health care or pastoral/social work field, are now restricted to carrying on our most important ministry, which is that of prayer.

However, they themselves now need quite an amount of care and assistance. Seven sisters now need nursing care, and some others need help with daily life.

A small team of Care Assistants provides for the daily physical and social needs.

Sisters are supported to remain as active as possible and enjoy the various activities available. There are also the lovely secure grounds surrounding the convent where they can relax and enjoy the sunshine.

We also have a number of sisters who are supported in our convents at Clydebank and Airdrie (Scotland)



Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

Hospital chaplaincy

This ministry involves the provision of spiritual, pastoral and religious care to patients, relatives and staff across the hospice and hospitals where our sisters visit.

The Chaplaincy Team in hospices are always happy to meet with any patient or family member who may feel vulnerable or low in spirits or who just wishes to talk.

Six sisters are involved in this ministry, and while one sister receives a salary, the other sisters work as volunteers.

Social and pastoral work

Throughout the year 10 of our sisters carried out various forms of social and pastoral work, many of them in a voluntary capacity.

For sisters working in Parishes, this may involve, just being available, networking with community groups, working with families, participating in prayer groups, working for justice and peace with organisations such as CAFOD, working with people who wish to be baptised, acting as ministers of the Eucharist, visiting the housebound, helping with preparation for the sacraments and assisting in the general work of the parish.

Education

We are no longer involved in formal education. However, a few of our members do some voluntary work in the local schools. Some sisters are involved in providing the following:

- ◆ Instructing new members on the RCIA team.
- ◆ Taking an active part in the catechesis programme in the parish.
- ◆ Leading scripture groups.
- ◆ Organising and leading prayer groups during Lent and Advent.
- ◆ Working in the Chaplaincy Teams.

Investment policy

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;

Activities, specific objectives and relevant policies (continued)

Investment policy (continued)

2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales; and
4. Any company producing pornography.

In addition, at our Chapter in 2019, we also agreed we would divest from fossil fuels.

Investment performance

At 31 December 2021, the charity had listed investments with a market value of £16,368,837 (2020 - £15,182,988). There are no restrictions on the charity's power to invest.

The investment strategy is approved by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

Financial report for the year

A summary of the year's results can be found on page 26 of this annual report and accounts.

In the year to 31 December 2021, total income amounted to £2,830,535 (2020 - £888,966) with expenditure being £3,673,177 (2020 - £1,082,088).

The charity's income for the year ended 31 December 2021 comprises investment income, donations including sisters' salaries and pensions, and income from the sale of tangible fixed assets (2021: £2,046,576 and 2020: £1,583). Expenditure comprises donations and the costs of supporting members of the Congregation and their ministry. Donations for the year to 31 December included a significant contribution of £2,531,914 made to the Congregation's Generalate following the disposal of a property.

Net expenditure before investment gains for the year amounted to £842,642 (2020 - net expenditure of £193,122). Investment gains were £1,485,849 (2020 - £607,271) and the net income and increase in funds for the year, therefore, amounted to £643,207 (2020 - £414,149).

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

Financial report for the year (continued)

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works, including the management of the Congregation's hospices.

Because of the nature of the charity's activities we are unable to reclaim the VAT input tax on our costs as income is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare and to members of the Congregation and will enable the charity to cope and respond to unforeseen emergencies.

Financial position

The balance sheet shows total reserves of £23.8 million (2020 - £23.2 million).

£6.7 million (2020 - £7.4 million) is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies. In addition, £389,762 is represented by a property used for purposes consistent with the charity's objectives but by another organisation. This is shown on the balance sheet as the programme related investment fund.

Reserves policy and financial position (continued)

Financial position (continued)

Actuarial calculations performed during the period indicate that £12 million is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £4.4 million (2020 – £4.0 million) at the year end. The balance of the £7.6 million comprises a designated fund of £7.6 million.

£0.25 million (2020 - £0.25 million) has been set aside or designated for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £4,527,949 (2020 - £3,568,884). At 31 December 2021, the charity's free reserves exceeded those needed to conform to the above policy. The trustees are content with this position at the present time. It has arisen principally as a result of the considerable investment gains that have been generated in the past few years. The trustees are conscious of the general economic and political uncertainties that exist globally and of the impact these uncertainties may have on world stock markets and the economy more generally.

In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the continuing Covid-19 pandemic and the current geopolitical concerns.

Future plans

As a Province, the Sisters have long reflected on how to manage and secure the future of St Joseph's Convent, Hackney, London where the elderly and/or frail sisters are cared for. Since the year end, the trustees have engaged Neylons Facility Management, who have extensive experience in this area and they will now be responsible for managing all aspects of the work and activities at St Joseph's Convent.

In addition, in order to modernise the structure, constitution and governance of the charity, the trustees have begun the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO) which will take place over the course of 2022 and 2023.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Province is governed by the Provincial and her Council. The Provincial and her Council are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Province. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Province, and to secure a good skills mix among them.

Governance, structure and management (continued)

Governance (continued)

Each community in the Province has a local leader, who is appointed by the Provincial. The Provincial is required to visit each community at least once a year. The Superior General or one of her team will visit the communities at least once every six years.

In terms of Civil law the charity is governed by a trust deed dated 17 December 1962 and is a registered charity – Charity Registration No 231323 (England and Wales) and Charity Registration No SC039185 (Scotland). The trustees of the Province are the Provincial, the Congregational Leader and two members of the Provincial Council. Being members of the Congregation, the trustees' living and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the current trustees are given below.

Sister Mary Teresa Clarke, RSC



Sister Mary Teresa RSC was appointed Provincial Leader for the English Scottish Province of the Congregation in January 2021. Sister Mary Teresa joined the Religious Sisters of Charity in 1977 and spent her early career working in Palliative Care Nursing and Management, in St Margaret's and St Andrew's Hospices. Sister later served as CEO in St Joseph's Hospice. During this time she studied for a Diploma in Pastoral Theology (Heythrop College) and later, an MBA (Public Service Management). Sister Mary Teresa spent over 10 years employed in Her Majesty's Prison Service as a Roman Catholic Chaplain in the North West. In recent years Sister has worked in School Chaplaincy.

Sister Patricia Lenihan



Sister Patricia Lenihan is the Congregational Leader of the Religious Sister of Charity. She is originally from London, England but now living in Dublin, Ireland. She has a BA in Theology for Ministry from the University of London; an MA in Learning Disability Studies from Salford University, and a post-graduate Diploma in Web Design and Development from the University of London. In 2007 she was elected to serve on the General Leadership Team of the Congregation and was appointed Congregational Leader in July 2019.

Governance, structure and management (continued)

Governance (continued)

Sister Alice McGilly, RSC



Sister Alice originally from Northern Ireland entered the Religious Sisters of Charity in Dublin. Her ministry has been in health care throughout the years. Except for a short period in Nigeria and latterly caring for frail elderly sisters, she served in various roles in the Congregations five Hospices - Cork and Dublin in Ireland, Clydebank and Airdrie in Scotland and Hackney, London. Her nursing qualifications were obtained in Belfast receiving, now known as, RGN and RM. In preparation for Palliative Care Community Nursing in London she did a District Nursing course. In later years she saw the need for further studies and did an MSc in Health Care Management. During 2020 she was appointed Province Bursar and continues to reside in the Hackney Community, London.

Sister Catherine Egan, RSC



Sister Catherine Egan joined the Religious Sisters of Charity in October 1967. Having qualified as a Nurse in 1980 her career has almost been entirely spent in the field of palliative care within the hospice setting.

This included time as a Ward Sister at St Joseph's Hospice, London and moving to St Andrew's Hospice, Airdrie, Scotland in 1989 as Matron.

Currently, she is the Director of Mission and a Member of the Senior Management Team at St Andrew's Hospice and with additional responsibility for the pastoral care of sick within the Hospice.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

We have 28 sisters at present in the English/Scottish Province living in five different areas. One community house in London and two in Birkenhead. We have communities attached to two Hospices in Scotland, at St Margaret of Scotland Hospice, Clydebank, Dunbartonshire, and St Andrew's Hospice, Airdrie, Lanarkshire. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of providing physical, psychological, social, and pastoral care to a variety of people including children, the elderly and the vulnerable. A few of our sisters are employed by these organisations, but in most instances the work is carried out on a voluntary basis. In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Governance, structure and management (continued)

Working with other organisations (continued)

Examples of the organisations for which sisters have worked and with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster, Shrewsbury, Brentwood, Birmingham, Liverpool, Leeds, Motherwell and Glasgow
- ◆ Thompson's Mission for the Homeless
- ◆ Emmaus Centre, Acton
- ◆ Wirral Irish Club, Birkenhead
- ◆ Jesuit Refugee Services, Wapping, London
- ◆ St Vincent de Paul, Birkenhead
- ◆ UNANIMA International
- ◆ Medaille Trust
- ◆ TRAC, Restore

Risk management

The continuing Covid-19 pandemic has clearly presented us with challenges to our charity and its activities which could not have been foreseen.

The trustees recognise their responsibility for the management of risks faced by the charity, the Congregation in England and Scotland and its individual members.

The areas identified for particular attention within our risk management strategy are:

Governance and management looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the care of the older and frail sisters, the members of the Congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Governance, structure and management (continued)

Risk management (continued)

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province at 31 December 2021, was 80 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the new Catholic Safeguarding Standards Agency (CSSA). One of the sisters is responsible for ensuring this policy is adhered to in respect to all sisters, employees and volunteers. In addition, the trustees have established a Safeguarding Team of four sisters which meets several times a year to take part in on-going safeguarding training; to update internal policies; and to ensure that sisters, staff and volunteers are kept informed about good practice in work and ministry.
- ◆ The charity donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.

Governance, structure and management (continued)

Risk management (continued)

- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not actively engage in fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

To members of the Province, staff and volunteers

The trustees wish to record their thanks for the professionalism and commitment of all their staff, volunteers and the individual sisters in this Province. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

Sr Mary Clarke

Trustee

Approved by the trustees on: 20th July 2022

Independent auditor's report to the trustees of The Religious Sisters of Charity Charitable Trust

Opinion

We have audited the accounts of The Religious Sisters of Charity Charitable Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and safeguarding regulations; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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

Independent auditor's report 31 December 2021

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with section 44 (l)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

21st July 2022

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

Statement of financial activities Year to 31 December 2021

	Notes	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Income from:							
Donations and legacies	1	355,649	—	355,649	392,280	—	392,280
Investment income and interest receivable	2	310,733	113,452	424,185	360,140	130,046	490,186
Other sources							
. Surplus on disposal of tangible fixed assets	10	2,046,576	—	2,046,576	1,583	—	1,583
. Miscellaneous income		4,125	—	4,125	4,917	—	4,917
Total income		2,717,083	113,452	2,830,535	758,920	130,046	888,966
Expenditure on:							
Charitable activities							
. Charitable grants and donations	3	2,534,743	—	2,534,743	28,779	—	28,779
. Support of members of the Congregation and their ministry	4	1,024,982	113,452	1,138,434	923,263	130,046	1,053,309
Total expenditure		3,559,725	113,452	3,673,177	952,042	130,046	1,082,088
Net expenditure before gains on investments	6	(842,642)	—	(842,642)	(193,122)	—	(193,122)
Net gains on investments	12	1,089,419	396,430	1,485,849	445,568	161,703	607,271
Net movement in funds		246,777	396,430	643,207	252,446	161,703	414,149
Reconciliation of funds:							
Total funds brought forward at 1 January 2021		19,127,859	4,042,545	23,170,404	18,875,413	3,880,842	22,756,255
Total funds carried forward at 31 December 2021		19,374,636	4,438,975	23,813,611	19,127,859	4,042,545	23,170,404

All activities of the charity derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		6,656,925		7,369,213
Programme related investments	11		389,762		389,762
Investments	12		16,368,837		15,182,988
			23,415,524		22,941,963
Current assets					
Debtors	13	123,832		120,878	
Cash at bank and in hand		474,757		344,176	
		598,589		465,054	
Liabilities					
Creditors: amounts falling due within one year	14	(200,502)		(236,613)	
Net current assets			398,087		228,441
Total net assets			23,813,611		23,170,404
Represented by:					
The funds of the charity					
Restricted funds	15		4,438,975		4,042,545
Unrestricted funds					
. General funds			4,527,949		3,568,884
. Tangible fixed assets fund	16		6,656,925		7,369,213
. Programme related investment fund	17		389,762		389,762
. Designated funds	18		7,800,000		7,800,000
Total funds			23,813,611		23,170,404

Approved by the trustees and signed
on their behalf by:

Sr Mary Clarke

Trustee

Approved by the trustees on: 20th July 2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,204,934)	(390,772)
Cash flows from investing activities:			
Investment income and interest received		421,242	391,626
Proceeds from the disposal of tangible fixed assets		2,682,881	2,821
Purchase of tangible fixed assets		(68,608)	(23,425)
Proceeds from the disposal of investments		300,000	—
Net cash provided by investing activities		3,335,515	371,022
Change in cash and cash equivalents in the year		130,581	(19,750)
Cash and cash equivalents at 1 January 2021	B	344,176	363,926
Cash and cash equivalents at 31 December 2021	B	474,757	344,176

Notes to the cash flow statement for the year to 31 December 2021

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	643,207	414,149
Adjustments for:		
Depreciation charge	144,591	142,791
Gains on investments	(1,485,849)	(607,271)
Investment income and interest receivable	(424,185)	(490,186)
Surplus on disposal of tangible fixed assets	(2,046,576)	(1,583)
Increase in debtors	(11)	(6,531)
(Decrease) increase in creditors	(36,111)	157,859
Net cash used in operating activities	(3,204,934)	(390,772)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	474,757	344,176

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2021

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2021 with comparative information provided for the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ estimating the probability of the receipt of legacies;
- ◆ determining amounts to be designated and, in particular, estimating the size of the sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

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

Assessment of going concern (continued)

With regard to the next accounting period, the year ending 31 December 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

The trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Support and governance costs (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat the 1999 valuations as deemed cost.

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.
- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods on order to write off each asset over its estimated useful economic life.

- ◇ Computer equipment 4 years
- ◇ Furniture 5 years
- ◇ Plant and similar assets 15 years

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight-line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments relate to a freehold property used by another charitable organisation for purposes consistent with the charity's objectives. The property is included at deemed cost.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Creditors and provisions

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

Fund structure

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

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

Principal accounting policies 31 December 2021

Fund structure (continued)

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

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

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

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Notes to the accounts Year to 31 December 2021

1 Income from: donations and legacies

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	353,881	—	353,881
Donations	1,768	—	1,768
2021 Total funds	355,649	—	355,649
	Unrestricted funds £	Restricted funds £	2020 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	348,322	—	348,322
Legacies	42,467	—	42,467
Donations	1,491	—	1,491
2020 Total funds	392,280	—	392,280

2 Income from: investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from listed investments . UK Charity Authorised Investment Funds			
2021 Total funds	310,733	113,452	424,185
	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from listed investments . UK Charity Authorised Investment Funds			
2020 Total funds	360,140	130,046	490,186

3 Expenditure on: Charitable activities – Charitable grants and donations

	Unrestricted funds £	Restricted funds £	2021 Total funds £
General donations	2,829	—	2,829
Contributions to the Congregation's Generalate	2,531,914	—	2,531,914
2021 Total funds	2,534,743	—	2,534,743

3 Expenditure on: Charitable activities – Charitable grants and donations (continued)

	Unrestricted funds £	Restricted funds £	2020 Total funds £
General donations	3,779	—	3,779
Contributions to the Congregation's Generalate	25,000	—	25,000
2020 Total funds	28,779	—	28,779

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

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Premises	274,257	—	274,257
Staff costs	435,654	113,452	549,106
Sisters' personal expenses	195,743	—	195,743
Education, training and spiritual renewal	6,734	—	6,734
Miscellaneous expenses	16,715	—	16,715
Governance (note 5)	95,879	—	95,879
2021 Total funds	1,024,982	113,452	1,138,434

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Premises	231,700	—	231,700
Staff costs	421,467	130,046	551,513
Sisters' personal expenses	179,428	—	179,428
Education, training and spiritual renewal	5,269	—	5,269
Miscellaneous expenses	3,226	—	3,226
Governance (note 5)	82,173	—	82,173
2020 Total funds	923,263	130,046	1,053,309

5 Governance costs

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Audit fees	21,134	—	21,134
Legal fees	18,908	—	18,908
Other governance expenses	55,837	—	55,837
	95,879	—	95,879

Notes to the accounts Year to 31 December 2021

5 Governance costs (continued)

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Audit fees	23,463	—	23,463
Legal fees	11,878	—	11,878
Other governance expenses	46,832	—	46,832
	82,173	—	82,173

6 Net expenditure before gains on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs (note 7)	435,654	113,452	549,106
Auditor's remuneration			
-statutory audit services	19,646	—	19,646
-Other services: Advisory	1,488	—	1,488
Depreciation	144,591	—	144,591

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Staff costs (note 7)	421,467	130,046	551,513
Auditor's remuneration			
. Statutory audit services			
. Current year	20,888	—	20,888
. Prior year	2,575	—	2,575
Depreciation	142,791	—	142,791

7 Staff costs and remuneration of key management personnel

	2021 Total funds £	2020 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	494,654	505,516
Social security costs	43,736	33,047
Other pension costs	10,716	12,950
	549,106	551,513
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	549,106	551,513

Notes to the accounts Year to 31 December 2021

7 Staff costs and remuneration of key management personnel (continued)

No employee earned £60,000 per annum or more (including taxable benefits) during the year ended 31 December 2020 (2020 - none).

The average number of employees, analysed by function, was as follows:

	2021 No.	2020 No.
Support of members of the Congregation and their ministry	21	21

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £nil (2020 - £nil).

8 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2020 - none).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £40,207 (2020 - £111,787).

9 Taxation

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

10 Tangible fixed assets

	Freehold Non specialised £	Long leasehold Specialised £	Computers, furniture and equipment £	Motor vehicles £	Total £
Cost or deemed cost					
At 1 January 2021	3,494,188	5,757,757	747,223	122,823	10,121,991
Additions	—	—	68,608	—	68,608
Disposals	(636,305)	—	—	—	(636,305)
At 31 December 2021	<u>2,857,883</u>	<u>5,757,757</u>	<u>815,831</u>	<u>122,823</u>	<u>9,554,294</u>
At cost	1,472,546	5,757,757	815,831	122,823	8,168,957
Deemed cost (1999 valuation)	1,385,337	—	—	—	1,385,337
	<u>2,857,883</u>	<u>5,757,757</u>	<u>815,831</u>	<u>122,823</u>	<u>9,554,294</u>
Depreciation					
At 1 January 2021	889,680	1,122,519	639,866	100,713	2,752,778
Charge for the year	—	115,155	22,330	7,106	144,591
On disposals	—	—	—	—	—
At 31 December 2021	<u>889,680</u>	<u>1,237,674</u>	<u>662,196</u>	<u>107,819</u>	<u>2,897,369</u>
Net book values					
At 31 December 2021	<u>1,968,203</u>	<u>4,520,083</u>	<u>153,635</u>	<u>15,004</u>	<u>6,656,925</u>
At 31 December 2020	<u>2,604,508</u>	<u>4,635,238</u>	<u>107,357</u>	<u>22,110</u>	<u>7,369,213</u>

As permitted under Financial Reporting Standard 102 (FRS 102) the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat this valuation as deemed cost. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts. The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

During the year, the charity disposed of one of its freehold non-specialised properties realising a surplus of £2,046,576.

Capital commitments

At 31 December 2021, the charity had capital commitments of £260,000 (2020 - £nil) in respect to additions of freehold non-specialised property additions that had been authorised but not contracted for. Subsequent to the year end, the property acquisition has been completed.

Notes to the accounts Year to 31 December 2021

11 Programme related investments

	2021 £	2020 £
At 1 January and 31 December 2021	389,762	389,762

The charity owns a freehold property at 42 Church Hill Road, Walthamstow, London, E17 9RX. On 30 October 2017 the property was made available to The Medaille Trust Limited (Charity Registration Number 1117830), a charity established to help the victims of human trafficking in the UK, for a ten year lease period at a peppercorn rent.

12 Investments

	Total 2021 £	Total 2020 £
Listed investments		
Market value at 1 January 2021	15,182,988	14,575,717
Disposal proceeds	(300,000)	—
Realised gain on disposal	25,015	—
Net unrealised investment gains	1,460,834	607,271
Market value at 31 December 2021	16,368,837	15,182,988
Cost of listed investments at 31 December 2021	13,923,586	14,180,409

Net investment gains of £1,089,419 (2020 - gains of £445,568) are attributable to unrestricted funds and net investment gains of £396,430 (2020 - gains of £161,703) are attributable to restricted funds.

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
UK Charity Authorised Investment Funds	16,368,837	15,182,988

At 31 December 2021, the charity owned the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	2021		2020	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
BlackRock Catholic Charities Growth & Income Fund	16,362,575	99.96%	15,176,273	99.96%

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

Notes to the accounts Year to 31 December 2021

13 Debtors

	2021 £	2020 £
Prepayments	18,030	18,019
Investment income receivable	105,802	102,859
Total	123,832	120,878

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts due to the Generalate of the Religious Sisters of Charity	25,000	50,000
Amounts due to the Irish Province of the Religious Sisters of Charity	58,050	—
Amount due to St Joseph's Hospice, Hackney (note 20)	86,246	137,828
Accruals	31,206	48,785
	200,502	236,613

15 Restricted funds

The income funds of the charity include one restricted fund comprising the following unexpended balances of donations and grants held on trusts to be applied for a specific purpose:

	At 1 January 2021 £	Income £	Expenditure £	Gains £	Transfers £	At 31 December 2021 £
Long term care fund	4,042,545	113,452	(113,452)	396,430	—	4,438,975

	At 1 January 2020 £	Income £	Expenditure £	Gains £	Transfers £	At 31 December 2020 £
Long term care fund	3,880,842	130,046	(130,046)	161,703	—	4,042,545

The long term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

16 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	7,369,213	7,489,817
Net movement in year	(712,288)	(120,604)
At 31 December 2021	6,656,925	7,369,213

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

17 Programme related investment fund

	2021 £	2020 £
At 1 January and 31 December 2021	389,762	389,762

The programme related investments fund represents the book value of the property assets classified as programme related investments i.e. the property owned by the charity but occupied by the Medaille Trust at a peppercorn rent for purposes consistent with the charitable objectives of the charity.

18 Designated funds

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

	At 1 January 2021 £	New designation £	At 31 December 2021 £
Sisters' retirement fund	7,550,000	—	7,550,000
Repairs and maintenance fund	250,000	—	250,000
	7,800,000	—	7,800,000

	At 1 January 2020 £	New designation £	At 31 December 2020 £
Sisters' retirement fund	6,800,000	750,000	7,550,000
Repairs and maintenance fund	250,000	—	250,000
	7,050,000	750,000	7,800,000

18 Designated funds (continued)

◆ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £12million is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £4.4 million at 31 December 2021 and is part of the charity's restricted funds (note 15).

The designated fund comprises the balance of £7.6 million set aside by the trustees in order to provide fully for the sisters in their retirement. The fund will be utilised over the expected lives of the sisters.

◆ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next four years.

19 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:						
Tangible fixed assets	—	6,656,925	—	—	—	6,656,925
Programme related investments	—	—	389,762	—	—	389,762
Investments	4,129,862	—	—	7,800,000	4,438,975	16,368,837
Net current assets	398,087	—	—	—	—	398,087
Total net assets	4,527,949	6,656,925	389,762	7,800,000	4,438,975	23,813,611

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	—	7,369,213	—	—	—	7,369,213
Programme related investments	—	—	389,762	—	—	389,762
Investments	3,340,443	—	—	7,800,000	4,042,545	15,182,988
Net current assets	228,441	—	—	—	—	228,441
Total net assets	3,568,884	7,369,213	389,762	7,800,000	4,042,545	23,170,404

Notes to the accounts Year to 31 December 2021

19 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2021 constitutes movements on revaluation and are as follows:

	2021 £	2020 £
Unrealised gains included above:		
On investments	2,445,251	1,002,579
Total unrealised gains at 31 December 2021	2,445,251	1,002,579
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	1,002,579	395,308
Less: released on disposals	(18,162)	—
Add: net gains arising on revaluation in the year	1,460,834	607,271
Total unrealised gains at 31 December 2021	2,445,251	1,002,579

20 Connected charities

The Religious Sisters of Charity Charitable Trust (the charity) is connected to two charities in Scotland by virtue of the fact that the trustees of the charity are also trustees of the Scottish charities. Details of the Scottish charities are as follows:

- ◆ St Margaret of Scotland Hospice - Scottish Charity No. SC005623
- ◆ St Andrew's Hospice (Lanarkshire) - Scottish Charity No. SC010159

Sister Rita Dawson, who was a trustee of the charity until 9 January 2021 is the Chief Executive of St Margaret of Scotland Hospice, Clydebank. During the year to 31 December 2020, St Margaret of Scotland Hospice, Clydebank made a payment of £79,200 to The Religious Sisters of Charity Charitable Trust in respect to the services of Sister Rita.

The charity is also connected to St Joseph's Hospice, Hackney (Charity Registration Number 1113125 and Company Registration Number 05513914 (England and Wales)) by virtue of the fact that certain of the trustees of the charity are also members of the trustee board of St Joseph's Hospice, Hackney. At 31 December 2021, the charity owed St Joseph's Hospice, Hackney £86,246 (2020 - £137,828). £476,915 (2020 - £517,789) was payable by the charity to St Joseph's Hospice during the year to 31 December 2021 in respect to staff and utility costs.

There were no other transactions between the charity and its connected charities during the year (2020 – none).

21 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

22 Related party transactions

With the exception of the transactions referred to in notes 8 and 20 to these accounts, there were no other related party transactions (2020 – none).

23 Post balance sheet events

Since the year end, the charity has purchased a freehold property in London at a cost of £260,000 and is in the process of purchasing one other such property for an anticipated price of £310,000. At the same time, one of the charity's existing freehold properties in London has been placed on the market for sale with proceeds anticipated to exceed £1.2 million.

In order to modernise the structure, constitution and governance of the charity, since the year end, the trustees have begun the process of converting the charitable trust into a Charitable Incorporated Organisation (CIO) which will take place over the course of 2022 and 2023.

RELIGIOUS SISTERS OF CHARITY

England & Wales - Charity number 231323

Accounts

**The Religious
Sisters of
Charity
Charitable
Trust**

Annual Report and Accounts

31 December 2020

Charity Registration Numbers
231323 (England and Wales) and
SC039185 (Scotland)

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Reference and administrative details about the charity, its trustees and its advisers

Trustees	Sister Mary Teresa Clarke (appointed 9 January 2021) Sister Patricia Lenihan (appointed 9 January 2021) Sister Alice McGilly (appointed 9 January 2021) Sister Catherine Egan (appointed 9 January 2021) Sister Mary Byrne (resigned 9 January 2021) Sister Rita Dawson MBE (resigned 9 January 2021) Sister Frances Rankin (resigned 9 January 2021) Sister Pauline Smith (resigned 9 January 2021)
Provincial Superior	Sister Mary Teresa Clarke (from 9 January 2021) Sister Rita Dawson MBE (until 9 January 2021)
Provincial Bursar	Sister Jackie Doherty (until August 2020) Sister Alice McGilly (from August 2020)
Administrative address	St Joseph's Convent 36 Mare Street Hackney London E8 4AD
Telephone	020 8510 3675
E-mail	bursar@rsoccaritas.org
Charity registration number (England and Wales)	231323
Charity registration number (Scotland)	SC039185
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP
Investment managers	BlackRock Investment Management Limited 33 King William Street London EC4R 9AS

Reference and administrative details about the charity, its trustees and its advisers

Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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Trustees' report Year to 31 December 2020

The trustees present their report together with the accounts of The Religious Sisters of Charity Charitable Trust (the "charity") for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Venerable Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution.



The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all Provincial and Community property used for its purpose in England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales (Charity Registration Number 231323) and with the Office of the Scottish Charities Regulator in Scotland (Charity Registration Number SC039185).

Mission



The English/Scottish Province of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

Mission (continued)

Worship and prayer

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none. This is done through spiritual direction, retreat work and prayer groups, or just being available to listen and guide people with their daily problems and concerns.

Health care

Our mission is to bring the healing ministry of Christ to all who seek our care.

Our concern for others, especially those in need, permeates every aspect of our health service. We are dedicated to providing the best possible health care by drawing on the talents and creativity of our people and by forming relationships with others who share our Vision and Core values.

Our Vision is to strengthen and promote the healing mission of Christ through the provision of Catholic health care within our society. Drawing on the commitment and talents of our people, we will continue to form relevant and strategic relationships so that our health service continues to grow and provide quality care always with a special focus on caring for the poor, the disadvantaged and the marginalised.

Our core values urge us to strive to respect the uniqueness of each person created in the image and likeness of God; to accept people as they are, act with integrity, respecting the rights of all; to excel in all aspects of our healing ministry and create community characterised by harmony and collaboration.

Social and pastoral care

Many of our sisters work in various forms of social and pastoral work in both England and Scotland, including care of the housebound and people with special needs, family support, chaplaincy in hospitals, prisons and educational establishments. A number of Sisters are involved in Social/Pastoral Ministries which are expressed through Parish Ministry covering all aspects of Church life. These Sisters are a listening ear for those living alone, a sympathetic presence for the sick, fearful, bereaved and the lonely. Our aim is to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

Education

Our involvement in formal teaching in schools is minimal, but some of our sisters are involved in supporting formal education by voluntary teaching in poor areas and as learning support assistants. In our Hospices staff development is of paramount importance, and our sisters are involved with education in team building, leadership/management training, communication skills, presentation skills and time management. Training is centred on our Mission Statement and Core Values.

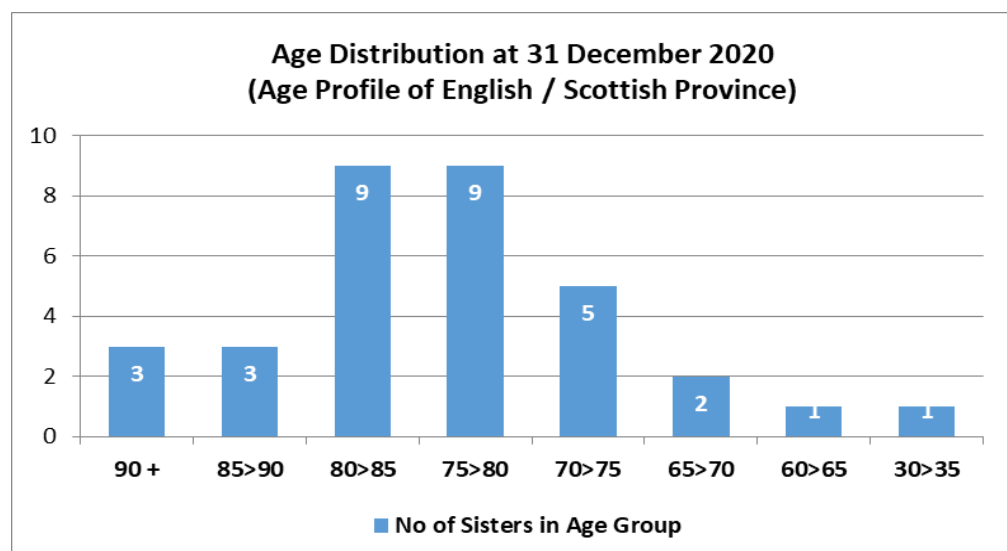
Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, health care, social and pastoral care, and education. Each of these is considered in turn below.

Caring for members of the Congregation

As is the case with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. We now have 33 sisters in the Province. The average age of the sisters in this Province at present is 79 years.



The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have eight members receiving care in our communities in London and Scotland. The trustees expect this number to increase over the next decade. In line with this, the trustees are giving careful consideration to the impact of this on individual members of the Province, the property requirements and the financial implications for the Congregation.

Activities and specific objectives (continued)

Caring for members of the Congregation (continued)

Therefore, the aims of the trustees for the forthcoming year include:

- ◆ To ensure all members of the Province receive the high level of care they require to provide them with the quality of life they should rightly expect. To ensure that all sisters needing care or help with daily tasks receive the help they need, thus avoiding any accidents caused by people risking activities which they are no longer capable of doing. To keep the elderly members active and stimulated and encourage them to do some form of activity where appropriate.
- ◆ To review the charity's properties used as community houses and continue to review on a regular basis the needs of our frail elderly sisters. Taking care to provide adequate lighting throughout the buildings where there are elderly people residing, and making sure that they are aware of the fire safety and fire drill should there be a fire in the building.
- ◆ To enable all members of the Province to continue with their individual ministries for as long as possible. To ensure that sisters who use cars for their ministry are safe to do so, as they get older.
- ◆ To ensure Advance Care Plans are accurate and up to date and set out clearly the wishes of Sisters should it ever become difficult for them to make decisions or if there was an emergency. This philosophy of 'hoping for the best but preparing for the worst' enables a more proactive approach and ensures that it is more likely that the right thing happens at the right time.

Worship and prayer

We, as a Congregation, are committed to spreading the gospel through our shared worship with the local communities wherever we live, assisting them through prayer, study of the scriptures, public worship, music and the sacraments. The Sisters are involved in a number of activities including:

- ◆ Providing religious instruction and spiritual direction on a one-to-one basis;
- ◆ Praying with the housebound, patients in nursing homes and the dying; and
- ◆ Organising and hosting prayer groups, giving members of the public from all walks of life the opportunity to take time to reflect and contemplate, and to avail of time to study and share in the Gospel stories.



Health care

Our healthcare facilities in England and Scotland have been set up as separate charitable companies, but we have three to four members serving as trustees on each of the three hospice Boards.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Social and pastoral work

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

- ◆ Working in parishes, visiting, helping in catechetical programmes and helping parishioners develop their spiritual lives;
- ◆ Administrative and secretarial support to Church organisations;
- ◆ Community social work with the homeless;
- ◆ Working in Food Banks;
- ◆ Pastoral care/chaplaincy in hospitals, hospices, Schools, nursing homes and prisons;
- ◆ Advocacy and support for asylum seekers and refugees;
- ◆ Various justice and peace initiatives;
- ◆ Spiritual direction, retreat work and leading prayer groups;
- ◆ Bereavement counselling/bereavement support groups; and
- ◆ Challenging human trafficking through working with organisations such as TRAC and PACE.

The aims of the trustees in this area include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members of the Province to carry out meaningful social and pastoral work;
- ◆ To encourage and motivate members to work with and assist the poor and marginalised;
- ◆ Wherever possible, to ensure sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and enables the sisters to continue to contribute and develop for the future.

Education

The following are some of the areas where our sisters work in the field of education:

- ◆ Providing courses on communication skills, team building, management skills, presentation skills and time management;
- ◆ Organising and running the Mission Effectiveness Programme in healthcare establishments and giving input on the Mission and Core Values;
- ◆ Providing catechesis in the parishes, where children attend non-Catholic schools.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Education (continued)

The aims of the trustees in this area include:

- ◆ As we work with vulnerable adults and children, the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service;
- ◆ Enabling members to be involved in formal education by voluntary teaching in poor areas where there is a shortage of teachers and lack of funds; and
- ◆ Enabling members to continue to be involved, where possible, in the religious education of the children who do not attend Catholic schools, in the parishes where we live and work.

Volunteers

Throughout the year 26 sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The majority of sisters receive no financial contribution for this work which contributes to the overall achievement of the charity's objectives. In addition, the sisters are involved in the administration work of the Province and charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas.

A few Sisters work in more than one area, giving their services where necessary.

Care Of Earth/Anti Human Trafficking

Activity	Numbers Reached
Workshops	8
Support Of Individuals	8
Awareness Raising	200
Other	600
Total	816

Social/Pastoral

Activity	Numbers Reached
Counselling	15
Spiritual Direction	250
Vulnerable children	20
Asylum Seekers/Refugees	1,451
Visitation Of Elderly	4,014
Home Visitation	1,606
Religious Ed/Catechism Classes	8
Addictions	1
Women's Groups	110
Volunteer Groups	185
Others	555
Total	8,215

Trustees' report Year to 31 December 2020

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

Volunteers (continued)

Education

Activity	Numbers Reached
Primary	30
Secondary	60
Other	8
Total	98

Health Care - Hospice

Activity	Numbers Reached
Palliative Care	5,620
Chronically Ill – Aged Care	220
Respite Care	1,350
Home Care	7,646
Day Hospice	40
Other – Complementary Therapy, Counselling	314
Total	15,190

Administration

Activity	Numbers Reached
Administration	78
Bursar	28
Total	106

Additional voluntary activities and via Zoom

Activity	Numbers Reached
Orientation Program (Zoom)	25
The Harvest Festival	12
'Saturday Morning Club for Adults with Learning Difficulties' (before March 2020)	220
Ministry during Lockdown, support by phone and online to date	96 phone calls
Bereavement Support – Phone / Visits	10
Prison – Online support to Prison Chaplains/ Admin Staff	5
Supporting Communities and individuals by phone call/ emails/ Video	15
Household Duties/Shopping	13
Safeguarding - Co-ordinating safeguarding leads peer group and keeping members updated	10
Safeguarding training and webinars	3
Safeguarding. Keeping up with developments and updating responses, policies, DBSs and PVG's	3
Annual Light Up A Life, Via Zoom and Filming	Broadcast December 2020
St Pauls Cathedral, Memorial Service London - (3 hours of filming and prep)	Broadcast to London, November 2020
Filmed a piece about The Heritage Room	For website
Contributing An Article About Venerable Mary Aikenhead for The Volunteers Weekly Newsletter	Wide population

Activities, specific objectives and relevant policies (continued)

Review of activities

Worship and prayer

Our sisters are involved in various areas of catechesis in parishes, through Sacramental programmes such as RCIA, prayer groups and one-to-one meetings with people in the local parishes. Sisters are also asked to lead Eucharistic Services in their local parish church in the absence of clergy.

Our inclusion in parish liturgies, whether involvement in preparation or participation and our roles as Eucharistic Ministers give witness to our commitment to spreading the gospel.

Sisters involved in parish work give a large part of their time to visiting the frail elderly in their homes and bringing them Communion. This can prove to be the only human contact in the week for some individuals.

Bereavement counselling is another area close to the hearts of our parish sisters and many need this over an extended period of time.

Those sisters involved in prison ministry offer spiritual direction/counselling to prisoners and give them the opportunity to share their faith values in the context of prayer and discussion.

Our sisters are also committed to working with Youth, especially in the more deprived areas. They offer these young people a more relevant view of the church to their age, with emphasis on justice and peace and the dignity of each one.

Care of members of the Congregation



A number of our elderly sisters who have devoted their lives to caring for others, working either in the education, health care or pastoral/social work field, are now restricted to carrying on our most important ministry, which is that of prayer.

However, they themselves now need quite an amount of care and assistance. Seven sisters now need nursing care, and some others need help with daily chores.

With a small team of Care Assistants, Sister Jackie provides admirably for the daily physical, spiritual and social needs, keeping the more fit sisters as active as possible. They have various therapies and activities, such as aromatherapy, reflexology, music and movement, painting, bingo and other board games.

Weather permitting, they avail of the lovely grounds surrounding the convent where they can relax and enjoy the sunshine.

We also have a few members being cared for in our convents at Clydebank and Airdrie (Scotland) and one Sister is being cared for in the Hospice in Airdrie.

Activities, specific objectives and relevant policies (continued)

Review of activities

Hospital chaplaincy

This ministry involves the provision of spiritual, pastoral and religious care to patients, relatives and staff across the hospice and hospitals where our sisters visit.

The chaplain is available to see people of any denomination of faith and those with none. The Chaplaincy Team in hospices or hospitals are always happy to meet with any patient who may feel vulnerable or low in spirits or who just wishes to talk. Seven sisters are involved in this ministry, and while one sister receives a salary, the other sisters work as volunteers.

Social and pastoral work

Throughout the year 14 of our sisters carried out various forms of social and pastoral work, many of them in a voluntary capacity.

For Sisters working in Parish's, this will involve, just being available, networking with community groups, working with families, participating in prayer groups, working for justice and peace with organisations such as CAFOD, working with people who wish to be baptised, acting as ministers of the Eucharist, visiting the housebound, helping with preparation for the sacraments and assisting in the general work of the parish.

Education

We are no longer involved in formal education. However, a few of our members do some voluntary work in the local schools. Some sisters are involved in providing the following:

- ◆ Instructing new members on the RCIA team.
- ◆ Taking an active part in the catechesis programme in the parish.
- ◆ Leading scripture groups.
- ◆ Organising and leading prayer groups during Lent and Advent.
- ◆ Working in the Chaplaincy Teams.

The Covid-19 impact in 2020

For many years to come, 2020 will be remembered for the impact of Covid-19 on all aspects of Society. Restrictions never envisaged were implemented very quickly to slow down the spread of the deadly virus. On 11 March 2020 the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic, in recognition of its rapid spread across the globe, with almost 200 countries now affected.



Activities, specific objectives and relevant policies (continued)

The Covid-19 impact in 2020 (continued)

On Monday evening of 23 March 2020 lockdown restrictions were announced, with the specific advice of 'Stay at home'. Most of the members of our Communities are aged over 70 and so had to adhere to the government advice which meant our Sisters needed to shield. This also meant that our normally active Sisters had to find new ways to minister.



The trustees' most immediate efforts went into ensuring that all necessary measures were taken to safeguard the safety and wellbeing of members and all personnel and to continue to follow the advice of the UK and Scottish Governments.

The Sisters who have spent many years in challenging ministries, proved resilient and soon adapted to the new reality and maintained contact with vulnerable people by phone, emails, video links, zoom meetings and whatever means came to hand.

2020 proved to be the year of 'working from home' which meant learning a new vocabulary and where your unmute button was!

Along with many other charities, it is difficult at this point to assess the full impact of the virus on the long-term future and activities.

The charity's income will no doubt be affected because of the volatility of world investment markets in response to Covid-19 and because of the uncertainties caused by the recession following the pandemic.

In terms of our expenditure, we have seen a rise in our daily cost of living expenses due to a rise in cost of living during the crisis and the difficulties in obtaining food locally at a good price. We will continue to keep both income and expenditure under review.

Whilst there will undoubtedly be challenges ahead, we do not expect material concerns to arise over the charity's financial position.

Investment policy

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

Trustees' report Year to 31 December 2020

Activities, specific objectives and relevant policies (continued)

Investment policy (continued)

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;
2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales;
4. Any company producing pornography.
5. At our Chapter in 2019, we also agreed we would divest from fossil fuels.

Investment performance

At 31 December 2020, the charity had listed investments with a market value of £15,182,988 (2019 - £14,575,717). There are no restrictions on the charity's power to invest.

The investment strategy is approved by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

Financial report for the year

A summary of the year's results can be found on page 29 of this annual report and accounts.

In the year to 31 December 2020, total income amounted to £889,966 (2019 - £812,112) with expenditure being £1,082,088 (2019 - £1,857,507).

The charity's income for the year ended 31 December 2020 comprises investment income, donations including sisters' salaries and pensions, legacies and income from the sale of tangible fixed assets. Expenditure comprises donations and the costs of supporting members of the Congregation and their ministry. Donations for the year to 31 December 2019 included a significant contribution of £691,350 made to the Congregation's Generalate following the disposal of a property.

Net expenditure before investment gains for the year amounted to £193,122 (2019 - net expenditure of £1,045,395). Investment gains were £607,271 (2019 - £1,703,814) and the net income and increase in funds for the year, therefore, amounted to £414,149 (2019 - £658,419).

Financial report for the year (continued)

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works, including the management of the Congregation's hospices.

Because of the nature of the charity's activities we are unable to reclaim the VAT input tax on our costs as income is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the Sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare and to members of the Congregation and will enable the charity to cope and respond to unforeseen emergencies.

In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

Reserves policy and financial position (continued)

Financial position

The balance sheet shows total reserves of £23.2 million (2019 - £22.8 million).

£7.4 million (2019 - £7.5 million) is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies. In addition, £390,000 is represented by a property used for purposes consistent with the charity's objectives but by another organisation. This is shown on the balance sheet as the programme related investment fund.

Actuarial calculations performed during the period indicate that £11.5m is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £4.0 million (2019 - £3.9 million) at the year end. The balance of the £11.5 million comprises a designated fund of £7.5 million.

£0.25 million (2019 - £0.25 million) has been set aside or designated for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £3,568,884 (2019 - £3,945,834). At 31 December 2020, the charity's free reserves exceeded those needed to conform to the above policy. The trustees are content with this position at the present time. It has arisen principally as a result of the considerable investment gains that have been generated in the past few years. The trustees are conscious of the general economic and political uncertainties that exist globally and of the impact these uncertainties may have on world stock markets and the economy more generally.

In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the Covid-19 pandemic.

Future plans

The trustees are not anticipating any significant change to the charity or its activities over the next two to five years. Their aim is to continue to meet the following objectives:

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Province is governed by the Provincial and her Council. The Provincial and her Council are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Province. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Province, and to secure a good skills mix among them. Each community in the Province has a local leader, who is appointed by the Provincial. The Provincial is required to visit each community at least once a year. The Superior General or one of her team will visit the communities at least once every six years.

In terms of Civil law the charity is governed by a trust deed dated 17 December 1962 and is a registered charity – Charity Registration No 231323 (England and Wales) and Charity Registration No SC039185 (Scotland). The trustees of the Province are the Provincial and four members of the Provincial Council. Being members of the Congregation, the trustees' living and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the current trustees are given below.

Sister Mary Teresa Clarke, RSC



Sister Mary Teresa RSC, was appointed, Provincial Leader for the English / Scottish Province of the Congregation in January 2021. Sister Mary Teresa joined the Religious Sisters of Charity in 1977 and spent her early career working in Palliative Care Nursing and Management, in St Margaret's and St Andrew's Hospices. Sister later served as CEO in St Joseph's Hospice. During this time she studied for a Diploma in Pastoral Theology (Heythrop College) and later, an MBA (Public Service Management). Sister Mary Teresa spent over 10 years employed in Her Majesty Prison Service as a Roman Catholic Chaplain in the North West. In recent years Sister has worked in School Chaplaincy.

Governance, structure and management (continued)

Governance (continued)

Sister Patricia Lenihan



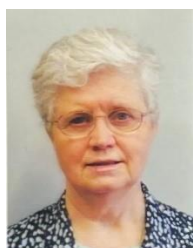
Sister Patricia Lenihan is the Congregational Leader of the Religious Sister of Charity. She is originally from London, England but now living in Dublin, Ireland. She has a BA in Theology for Ministry from the University of London; an MA in Learning Disability Studies from Salford University, and a post-graduate Diploma in Web Design and Development from the University of London. In 2007 she was elected to serve on the General Leadership Team of the Congregation and was appointed Congregational Leader in July 2019.

Sister Alice McGilly, RSC



Sister Alice originally from Northern Ireland entered the Religious Sisters of Charity in Dublin. Her ministry has been in health care throughout the years. Except for a short period in Nigeria and latterly caring for frail elderly Sisters, she served in various roles in the Congregations five Hospices Cork and Dublin in Ireland, Clydebank and Airdrie in Scotland and Hackney, London. Her nursing qualifications were obtained in Belfast receiving, now known as, RGN and RM. In preparation for Palliative Care Community Nursing in London she did a District Nursing course. In later years she saw the need for further studies and did an MSc in Health Care Management. During 2020 she was appointed Province Bursar and continues to reside in the Hackney Community, London.

Sister Catherine Egan, RSC



Sister Catherine Egan joined the Religious Sisters of Charity in October 1967. Having qualified as a Nurse in 1980 her career has almost been entirely spent in the field of palliative care within the hospice setting.

This included time as a Ward Sister at St Joseph's Hospice, London and moving to St Andrew's Hospice, Airdrie, Scotland in 1989 as Matron.

Currently, she is the Director of Mission and a Member of the Senior Management Team at St Andrew's Hospice and with additional responsibility for the pastoral care of sick within the Hospice.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

We have 33 Sisters at present in the English/Scottish Province living in five different areas. One community house in London and two in Birkenhead. We have communities attached to two Hospices in Scotland, at St Margaret of Scotland Hospice, Clydebank, Dunbartonshire, and St Andrew's Hospice, Airdrie, Lanarkshire. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

Governance, structure and management (continued)

Key management personnel

The trustees consider that they together with the Provincial Bursar comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees and the Provincial Bursar are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of providing physical, psychological, social, and pastoral care to a variety of people including children, the elderly and the vulnerable. A few of our sisters are employed by these organisations, but in most instances the work is carried out on a voluntary basis. In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Examples of the organisations for which sisters have worked and with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster, Shrewsbury, Brentwood, Birmingham, Liverpool, Leeds, Motherwell and Glasgow.
- ◆ Thompson's Mission for the Homeless
- ◆ Monklands Hospital, Airdrie
- ◆ Emmaus Centre, Acton
- ◆ Wirral Irish Club, Birkenhead
- ◆ Jesuit Refugee Services, Wapping, London
- ◆ St Vincent de Paul, Birkenhead
- ◆ UNANIMA International
- ◆ Medaille Trust
- ◆ TRAC, Restore

Risk management

The outbreak of the Covid-19 pandemic has clearly presented us with challenges and threats to the well-being of our charity and its activities which could not have been foreseen.

Governance, structure and management (continued)

Risk management (continued)

The trustees recognise their responsibility for the management of risks faced by the charity, the Congregation in England and Scotland and its individual members.

We note above the financial and operational effects of Covid-19. Over and above these, the areas identified for particular attention within our risk management strategy are:

Governance and management looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the care of the older and frail sisters, the members of the congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province at 31 December 2020, was 79 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Governance, structure and management (continued)

Risk management (continued)

- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the sisters is responsible for ensuring this policy is adhered to in respect to all sisters, employees and volunteers. In addition, the trustees have established a Safeguarding Team of four sisters which meets several times a year to take part in on-going safeguarding training; to update internal policies; and to ensure that sisters, staff and volunteers are kept informed about good practice in work and ministry.

- ◆ The charity donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.

- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

During the current Covid-19 pandemic, we continue to communicate with our investment managers and, whilst there are concerns over the falls in world stock markets, we acknowledge also that we are long term investors. As such, the charity will be able to wait for markets to recover over time whilst we, as trustees, keep a watching brief.

Raising funds

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not actively engage in fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Trustees' report Year to 31 December 2020

To members of the Province, staff and volunteers

The trustees wish to record their thanks for the professionalism and commitment of all their staff, volunteers and the individual sisters in this Province. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

Sister Mary Teresa Clarke
Trustee

Approved by the trustees on: 5 July 2021

Independent auditor's report to the trustees of The Religious Sisters of Charity Charitable Trust

Opinion

We have audited the accounts of The Religious Sisters of Charity Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report 31 December 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); Safeguarding Regulations; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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

Independent auditor's report 31 December 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with section 44 (l)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 July 2021

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

Statement of financial activities Year to 31 December 2020

	Notes	Un-restricted funds £	Restricted funds £	2020 Total funds £	Un-restricted funds £	Restricted funds £	2019 Total funds £
Income from:							
Donations and legacies	1	392,280	—	392,280	388,073	—	388,073
Investment income and interest receivable	2	360,140	130,046	490,186	307,595	109,540	417,135
Other sources							
. Surplus on disposal of tangible fixed assets		1,583	—	1,583	3,700	—	3,700
. Miscellaneous income		4,917	—	4,917	3,204	—	3,204
Total income		758,920	130,046	888,966	702,572	109,540	812,112
Expenditure on:							
Charitable activities							
. Charitable grants and donations	3	28,779	—	28,779	704,426	—	704,426
. Support of members of the Congregation and their ministry	4	923,263	130,046	1,053,309	1,043,541	109,540	1,153,081
Total expenditure		952,042	130,046	1,082,088	1,747,967	109,540	1,857,507
Net (expenditure) before gains on investments	6	(193,122)	—	(193,122)	(1,045,395)	—	(1,045,395)
Net gains on investments	12	445,568	161,703	607,271	1,250,007	453,807	1,703,814
Net movement in funds		252,446	161,703	414,149	204,612	453,807	658,419
Reconciliation of funds:							
Total funds brought forward at 1 January 2020		18,875,413	3,880,842	22,756,255	18,670,801	3,427,035	22,097,836
Total funds carried forward at 31 December 2020		19,127,859	4,042,545	23,170,404	18,875,413	3,880,842	22,756,255

All activities of the charity derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		7,369,213		7,489,817
Programme related investments	11		389,762		389,762
Investments	12		15,182,988		14,575,717
			22,941,963		22,455,296
Current assets					
Debtors	13	120,878		15,787	
Cash at bank and in hand		344,176		363,926	
		465,054		379,713	
Liabilities					
Creditors: amounts falling due within one year	14	(236,613)		(78,754)	
Net current assets			228,441		300,959
Total net assets			23,170,404		22,756,255
Represented by:					
The funds of the charity					
Restricted funds	15		4,042,545		3,880,842
Unrestricted funds					
. General funds			3,568,884		3,945,834
. Tangible fixed assets fund	16		7,369,213		7,489,817
. Programme related investment fund	17		389,762		389,762
. Designated funds	18		7,800,000		7,050,000
Total funds			23,170,404		22,756,255

Approved by the trustees and signed
on their behalf by:

Sister Mary Clarke, Trustee

Approved by the trustees on: 5 July 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(390,772)	(1,272,240)
Cash flows from investing activities:			
Investment income and interest received		391,626	412,837
Proceeds from the disposal of tangible fixed assets		2,821	328,700
Purchase of tangible fixed assets		(23,425)	(11,600)
Proceeds from the disposal of investments		—	14,160,409
Purchase of investments		—	(14,160,409)
Net cash provided by investing activities		371,022	729,937
Change in cash and cash equivalents in the year		(19,750)	(542,303)
Cash and cash equivalents at 1 January 2020	B	363,926	906,229
Cash and cash equivalents at 31 December 2020	B	344,176	363,926

Notes to the cash flow statement for the year to 31 December 2020

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	414,149	658,419
Adjustments for:		
Depreciation charge	142,791	144,419
Gains on investments	(607,271)	(1,703,814)
Investment income and interest receivable	(490,186)	(417,135)
Surplus on disposal of tangible fixed assets	(1,583)	(3,700)
Loss on disposal of tangible fixed assets	—	65,000
Increase in debtors	(6,531)	(3,323)
Increase (decrease) in creditors	157,859	(12,106)
Net cash used in operating activities	(390,772)	(1,272,240)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	344,176	363,926

Principal accounting policies 31 December 2020

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparative information provided for the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ estimating the probability of the receipt of legacies;
- ◆ determining amounts to be designated and, in particular, estimating the size of the Sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

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

Assessment of going concern (continued)

The full impact on the charity's income and expenditure and financial position of the continuing global Covid-19 pandemic is still uncertain. Since March 2020 the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of our control.

As most of the members of the Community are aged over 70, the trustees have had to adhere to the stringent government advice issued on 23 March 2020. This has meant that the Congregation's normal apostolic activities have had to find new shape or cease altogether.

The charity's income has been largely unaffected with investment income from the charity's investments being maintained at pre-Covid levels. In terms of expenditure, there has been some reduction in costs due to a lack of travel etc. The trustees will continue to keep both income and expenditure under review.

During the current Covid-19 pandemic, the trustees continue to communicate with their investment managers and, whilst there are still some concerns over the volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

Income recognition (continued)

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Expenditure recognition (continued)

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat the 1999 valuations as deemed cost.

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Tangible fixed assets (continued)

- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

- ◆ Furniture and equipment
Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods on order to write off each asset over its estimated useful economic life.
 - ◇ Computer equipment 4 years
 - ◇ Furniture 5 years
 - ◇ Plant and similar assets 15 years

- ◆ Motor vehicles
Motor vehicles are capitalised and depreciated over a four-year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments relate to a freehold property used by another charitable organisation for purposes consistent with the charity's objectives. The property is included at deemed cost.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Creditors and provisions

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

Fund structure

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

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

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

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

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

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Notes to the accounts Year to 31 December 2020

1 Income from: donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	348,322	—	348,322
Legacies	42,467	—	42,467
Donations	1,491	—	1,491
2020 Total funds	392,280	—	392,280
	Unrestricted funds £	Restricted funds £	2019 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	380,224	—	380,224
Legacies	—	—	—
Donations	7,849	—	7,849
2019 Total funds	388,073	—	388,073

2 Income from: investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from listed investments . UK common investments funds			
2020 Total funds	360,140	130,046	490,186
	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income from listed investments . UK common investments funds			
2019 Total funds	307,595	109,540	417,135

3 Expenditure on: Charitable activities – Charitable grants and donations

	Unrestricted funds £	Restricted funds £	2020 Total funds £
General donations	3,779	—	3,779
Contributions to the Congregation's Generalate	25,000	—	25,000
2020 Total funds	28,779	—	28,779

Notes to the accounts Year to 31 December 2020

3 Expenditure on: Charitable activities – Charitable grants and donations (continued)

	Unrestricted funds £	Restricted funds £	2019 Total funds £
General donations	13,076	—	13,076
Contributions to the Congregation's Generalate	691,350	—	691,350
2019 Total funds	704,426	—	704,426

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

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Premises	231,700	—	231,700
Staff costs	421,467	130,046	551,513
Sisters' personal expenses	179,428	—	179,428
Education, training and spiritual renewal	5,269	—	5,269
Miscellaneous expenses	3,226	—	3,226
Governance (note 5)	82,173	—	82,173
2020 Total funds	923,263	130,046	1,053,309

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Premises	251,485	—	251,485
Loss on disposal of property	65,000	—	65,000
Staff costs	351,364	109,540	460,904
Sisters' personal expenses	254,261	—	254,261
Education, training and spiritual renewal	4,037	—	4,037
Miscellaneous expenses	11,412	—	11,412
Governance (note 5)	105,831	—	105,831
Exchange rate loss	151	—	151
2019 Total funds	1,043,541	109,540	1,153,081

5 Governance costs

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Audit fees	23,463	—	23,463
Legal fees	11,878	—	11,878
Other governance expenses	46,832	—	46,832
2020 Total funds	82,173	—	82,173

Notes to the accounts Year to 31 December 2020

5 Governance costs (continued)

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Audit fees	22,913	—	22,913
Legal fees	23,498	—	23,498
Other governance expenses	59,420	—	59,420
	105,831	—	105,831

6 Net income (expenditure) before gains on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Staff costs (note 7)	421,467	130,046	551,513
Auditor's remuneration			
. Statutory audit services			
.. Current year	20,888	—	20,888
.. Prior year	2,575	—	2,575
Depreciation	142,791	—	142,791

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Staff costs (note 7)	351,364	109,540	460,904
Auditor's remuneration			
. Statutory audit services			
.. Current year	18,360	—	18,360
. Other services: Advisory	5,208	—	5,208
Depreciation	144,419	—	144,419

7 Staff costs and remuneration of key management personnel

	2020 Total funds £	2019 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	505,516	414,416
Social security costs	33,047	35,559
Other pension costs	12,950	10,929
	551,513	460,904
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	551,513	460,904

Notes to the accounts Year to 31 December 2020

7 Staff costs and remuneration of key management personnel (continued)

No employee earned £60,000 per annum or more (including taxable benefits) during the year ended 31 December 2020 (2019 - none).

The average number of employees, analysed by function, was as follows:

	2020 No.	2019 No.
Support of members of the Congregation and their ministry	21	20

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Provincial Bursar. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £nil (2019 - £nil).

8 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2019 - none).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £116,423 (2019 - £101,855).

9 Taxation

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

Notes to the accounts Year to 31 December 2020

10 Tangible fixed assets

	Freehold Non specialised £	Long leasehold Specialised £	Computers, furniture and equipment £	Motor vehicles £	Total £
Cost or deemed cost					
At 1 January 2020	3,494,188	5,757,757	747,223	128,043	10,127,211
Additions	—	—	—	23,425	23,425
Disposals	—	—	—	(28,645)	(28,645)
At 31 December 2020	<u>3,494,188</u>	<u>5,757,757</u>	<u>747,223</u>	<u>122,823</u>	<u>10,121,991</u>
At cost	2,108,851	5,757,757	747,223	122,823	8,736,654
Deemed cost (1999 valuation)	1,385,337	—	—	—	1,385,337
	<u>3,494,188</u>	<u>5,757,757</u>	<u>747,223</u>	<u>122,823</u>	<u>10,121,991</u>
Depreciation					
At 1 January 2020	889,680	1,007,364	619,039	121,311	2,637,394
Charge for the year	—	115,155	20,827	6,809	142,791
On disposals	—	—	—	(27,407)	(27,407)
At 31 December 2020	<u>889,680</u>	<u>1,122,519</u>	<u>639,866</u>	<u>100,713</u>	<u>2,752,778</u>
Net book values					
At 31 December 2020	<u>2,604,508</u>	<u>4,635,238</u>	<u>107,357</u>	<u>22,110</u>	<u>7,369,213</u>
At 31 December 2019	<u>2,604,508</u>	<u>4,750,393</u>	<u>128,184</u>	<u>6,732</u>	<u>7,489,817</u>

As permitted under Financial Reporting Standard 102 (FRS 102) the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. As permitted under the transitional arrangements for FRS 102, the charity has elected to treat this valuation as deemed cost. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

Notes to the accounts Year to 31 December 2020

11 Programme related investments

	2020 £	2019 £
Programme related investment properties		
At 1 January 2020	389,762	389,762
Movements in year	—	—
At 31 December 2020	389,762	389,762

The charity owns a freehold property at 42 Church Hill Road, Walthamstow, London, E17 9RX. On 30 October 2017 the property was made available to The Medaille Trust Limited (Charity Registration Number 1117830), a charity established to help the victims of human trafficking in the UK, for a ten year lease period at a peppercorn rent.

12 Investments

	Total 2020 £	Total 2019 £
Listed investments		
Market value at 1 January 2020	14,575,717	12,871,903
Disposals at book value	—	(12,871,904)
Additions	—	14,180,409
Net unrealised investment gains	607,271	395,309
Market value at 31 December 2020	15,182,988	14,575,717
Cost of listed investments at 31 December 2020	14,180,409	14,180,409

Disposals at book value for 2020 comprise proceeds of £nil (2019 - £14,180,409) and realised gains of £nil (2019 - £1,308,505).

Net investment gains of £445,568 (2019 - gains of £1,250,007) are attributable to unrestricted funds and net investment gains of £161,703 (2019 - gains of £453,807) are attributable to restricted funds.

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
UK common investment funds	15,182,988	14,575,719

At 31 December 2020, the charity owned the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	2020		2019	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
BlackRock Catholic Charities Growth & Income Fund	15,176,273	99.96%	14,569,221	99.96%

Notes to the accounts Year to 31 December 2020

12 Investments (continued)

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

13 Debtors

	2020 £	2019 £
Prepayments	18,019	11,489
Investment income receivable	102,859	4,298
Total	120,878	15,787

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to the Generalate of the Religious Sisters of Charity	50,000	25,000
Amount due to St Joseph's Hospice, Hackney (note 20)	137,828	34,549
Accruals	48,785	19,205
	236,613	78,754

15 Restricted funds

The income funds of the charity include one restricted fund comprising the following unexpended balances of donations and grants held on trusts to be applied for a specific purpose:

	At 1 January 2020 £	Income £	Expenditure £	Gains £	Transfers £	At 31 December 2020 £
Long term care fund	3,880,842	130,046	(130,046)	161,703	—	4,042,545

	At 1 January 2019 £	Income £	Expenditure £	Gains £	Transfers £	At 31 December 2019 £
Long term care fund	3,427,035	109,540	(109,540)	453,807	—	3,880,842

The long term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

Notes to the accounts Year to 31 December 2020

16 Tangible fixed assets fund

	2020 £	2019 £
At 1 January 200	7,489,817	8,012,636
Net movement in year	(120,604)	(522,819)
At 31 December 2020	7,369,213	7,489,817

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

17 Programme related investment fund

	2020 £	2019 £
At 1 January 2020	389,762	389,762
Net movement in year	—	—
At 31 December 2020	389,762	389,762

The programme related investments fund represents the book value of the property assets classified as programme related investments i.e. the property owned by the charity but occupied by the Medaille Trust at a peppercorn rent for purposes consistent with the charitable objectives of the charity.

18 Designated funds

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

	At 1 January 2020 £	New designation £	At 31 December 2020 £
Sisters' retirement fund	6,800,000	750,000	7,550,000
Repairs and maintenance fund	250,000	—	250,000
	7,050,000	750,000	7,800,000

	At 1 January 2019 £	New designation £	At 31 December 2019 £
Sisters' retirement fund	6,800,000	—	6,800,000
Repairs and maintenance fund	250,000	—	250,000
	7,050,000	—	7,050,000

Notes to the accounts Year to 31 December 2020

18 Designated funds (continued)

◆ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £10.8million is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £4.0 million at 31 December 2020 and is part of the charity's restricted funds (note 15).

The designated fund comprises the balance of £6.8 million set aside by the trustees in order to provide fully for the Sisters in their retirement. The fund will be utilised over the expected lives of the Sisters.

◆ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next four years.

19 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	—	7,369,213	—	—	—	7,369,213
Programme related investments	—	—	389,762	—	—	389,762
Investments	3,340,443	—	—	7,800,000	4,042,545	15,182,988
Net current assets	228,441	—	—	—	—	228,441
Total net assets	3,568,884	7,369,213	389,762	7,800,000	4,042,545	23,170,404
	General funds £	Tangible fixed asset funds £	Programme related investment fund £	Designated funds £	Restricted funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:						
Tangible fixed assets	—	7,489,817	—	—	—	7,489,817
Programme related investments	—	—	389,762	—	—	389,762
Investments	3,644,875	—	—	7,050,000	3,880,842	14,575,717
Net current assets	300,959	—	—	—	—	300,959
Total net assets	3,945,834	7,489,817	389,762	7,050,000	3,880,842	22,756,255

Notes to the accounts Year to 31 December 2020

19 Analysis of net assets between funds (continued)

The total unrealised gains (losses) as at 31 December 2020 constitutes movements on revaluation and are as follows:

	2020 £	2019 £
Unrealised gains included above:		
On investments	1,002,579	395,308
Total unrealised gains at 31 December 2020	1,002,579	395,308
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2020	395,308	4,288,793
Realised in the year	—	(4,288,794)
Add: net gains arising on revaluation in the year	607,271	395,309
Total unrealised gains at 31 December 2020	1,002,579	395,308

20 Connected charities

The Religious Sisters of Charity Charitable Trust (the charity) is connected to two charities in Scotland by virtue of the fact that the trustees of the charity are also trustees of the Scottish charities. Details of the Scottish charities are as follows:

- ◆ St Margaret of Scotland Hospice, Clydebank - Scottish Charity No. SC005623
- ◆ St Andrew's Hospice Appeal - Scottish Charity No. SC010159

Sister Rita Dawson, who was a trustee of the charity throughout the year to 31 December 2020, is the Chief Executive of St Margaret of Scotland Hospice, Clydebank and until 9 January 2021 was a trustee of The Religious Sisters of Charity Charitable Trust. During the year, St Margaret of Scotland Hospice, Clydebank made a payment of £79,200 (2019 - £79,200) to The Religious Sisters of Charity Charitable Trust in respect to the services of Sister Rita.

The charity is also connected to St Joseph's Hospice, Hackney (Charity Registration Number 1113125 and Company Registration Number 05513914 (England and Wales) by virtue of the fact that certain of the trustees of the charity are also members of the trustee board of St Joseph's Hospice, Hackney. At 31 December 2020, the charity owed St Joseph's Hospice, Hackney £137,828 (2019 - £34,549). £517,789 (2019 - £424,743) was payable by the charity to St Joseph's Hospice during the year to 31 December 2020 in respect to staff and utility costs.

There were no other transactions between the charity and its connected charities during the year (2019 – none).

Notes to the accounts Year to 31 December 2020

21 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

22 Related party transaction

With the exception of the transactions with trustees referred to in note 8 to these accounts, there were no other related party transactions (2019 – none).

23 Post balance sheet events

Since the year end contracts have been exchanged in respect to the sale of one of the charity's freehold properties. Completion is expected in mid July 2022. The net book value of the property in these accounts is £636,305 and the gross proceeds from the sale are £2.75m.