

**Institute of the Sisters of  
Notre Dame De Namur  
British Province**

**Annual Report and Accounts**

31 August 2022

Charity Registration Number  
232411 (England and Wales)  
SC038746 (Scotland)

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<b>Trustees</b>	The Notre Dame Trustee Co Limited Sister Mary McClure Sister Catherine Darby Sister Margaret Walsh Sister Elizabeth Brady (appointed 10 March 2022)
<b>Directors of The Notre Dame Trustee Co Limited</b>	Sister Mary McClure Sister Catherine Darby Sister Margaret Walsh
<b>Provincial Moderator</b>	Sister Mary McClure
<b>Provincial office</b>	The Provincialate 266 Woolton Road Liverpool L16 8NF
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<b>Charity registration numbers</b>	232411 (England and Wales) SC038746 (Scotland)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	Barclays Bank plc Cumbria and Lancashire Business Banking Barclays Leicester LE87 2BB
<b>Stockbrokers</b>	J M Finn & Co Limited 25 Copthall Avenue London EC2R 7AH

<b>Solicitors</b>	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL  McSparran McCormick Waterloo Chambers 19 Waterloo Street Glasgow G2 6AH
<b>Property advisers and agents</b>	Carter Jonas The White House Greenhalls Avenue Warrington WA4 6HL
<b>Property marketing agents</b>	CBRE Limited One St Peter's Square Manchester M2 3DE

The trustees present their report together with the accounts of the Institute of the Sisters of Notre Dame De Namur British Province (the "charity") for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 31 to 38 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of 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 Institute of the Sisters of Notre Dame De Namur (the "Congregation") is an international Roman Catholic religious congregation supporting 956 sisters worldwide. It was founded in 1804 in Amiens, France. Its Generalate is located in Rome.

The Congregation is organised into units called Provinces. A Province is a legal body and is usually defined geographically to facilitate the mission of the Congregation in national and local areas. Each Province has its own structure of governance which makes provision for a Provincial Superior, known in Great Britain as the Provincial Moderator, who together with a Provincial Leadership Team takes responsibility for the leadership and administration of the British Province.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the Congregation in Great Britain are held.

### **Mission**

The Sisters of Notre Dame De Namur are a group of religious women whose main aim is to contribute to the advancement of the Roman Catholic religion by means of involvement in education, broadly conceived. By caring for individual members of the Congregation throughout their lives with the Congregation, the charity aims to enable and support the sisters to live out their faith and to live life to the full supported by the community of Sisters and to put that faith into practice through a wide variety of religious and other charitable works.

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

At their last General Chapter the sisters repeated their commitment to create a more just and loving world, continuing to choose Gospel imperatives as a way of life that "calls us to recommit to actions that lead to transformation within ourselves, society, Church and our Notre Dame Congregation". The sisters are committed to fulfilling their mission by ministering to the whole of creation, to our world and to one another. Every six years the Congregation reviews its life-in-mission, sets new directions, make policies and necessary changes to existing legislation in response to changing times.

**Mission** (continued)

The General Chapter is the highest authority in the Congregation of the Sisters of Notre Dame de Namur. Every Province in the Congregation is represented. As mentioned in our last trustees' report, the General Chapter of 2020 was postponed because of the Covid pandemic restrictions and as previously mentioned, the re-scheduled Chapter took place on Zoom. The delegates met as a whole body for three days each month from October 2021 through to December 2021. Work continued in delegates' committees between general sessions during these months. By the end of December a new Congregational Leadership Team had been elected and a way forward for the Congregation agreed.



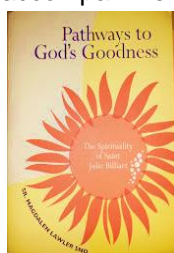
Every General Chapter has a theme or focus. Our recent chapter was entitled "Renew – Transform – Go". The gathering of sisters from across five continents is a 'sacred' opportunity to be in communion with one another from North to South, East to West.

The works or ministries of the sisters of the Congregation fall into the following main areas:

♦ **Worship, prayer and spirituality**

The 'religious' life of the sisters is not an end in itself – it is the foundation and source of the Ministries that are undertaken by the sisters.

Members of the Congregation are given the opportunity for private worship and to continue to develop their knowledge and trust in Jesus and the Church through quiet prayer, study of the Gospel and spiritual development. In addition, members of the Congregation celebrate and pray with the wider community including people of all faiths and none. They do this through the provision of spiritual guidance, by presence and accompaniment, by availability, by listening in times of need



Sisters are involved in the giving of retreats (times when individuals seek time away or 'time out' from the normal demands of life) and the celebration of the Liturgy through prayer groups and church services. Some members of the Congregation write and/or edit books and publish their work in the area of spirituality, religious education, catechesis, ecology and interfaith.

As mentioned in our last trustees' report, Sister Magdalen Lawler continues in her ministry as a free-lance retreat and conference leader, facilitating retreats at home and abroad. She continues her work through Zoom. These included retreats sponsored by retreat centres in Ireland, Yorkshire and London as well as days of quiet reflection.

Sister Magdalen is also the author of five books on the subject of Art and Spirituality.

She has reviewed and republished her *Pathways to God's Goodness*, The Spirituality of Julie Billiart, originally published in 2001, this publication is now being used in schools and retreat centres around the country.

**Mission** (continued)

♦ **Worship, prayer and spirituality** (continued)

Sister Isabel Smyth continues to serve as the Secretary for Interreligious Dialogue for the Scottish Catholic Bishops. She plans, organises and manages dialogues with faith communities and participates in various interfaith events and dialogues. She works to promote Scottish Interfaith Week and encourage the need for good interfaith understanding as a way of peace both within the Catholic Church in Scotland and throughout our world.

Sister Kathleen McGhee continues with her ministry:

"The focus of my ministry is Pastoral Accompaniment. I accompany twenty people in any month: priests, deacons, religious sisters and lay people. It plays a supportive role in the lives of these people who are, in the main, holding responsible and often demanding roles in the Church. This accompaniment is also part of the initial and ongoing formation of the deacons in the Liverpool Archdiocese.

In addition, I accompany three religious communities, two active groups and one monastic. This includes the regular facilitation of a Provincial Team.

♦ **Education**

The Congregation's work of education continues through the involvement of members in teaching, educational support and administration in educational establishments as well as membership of school governing bodies. They also work with children and adults with learning disabilities, people with special needs, multiple impairments or both. Many sisters are actively engaged in religious education programmes and have pioneered programmes for families and those with special needs. Sisters who are now unable to be actively involved in this work continue to support schools, Hope University and other learning centres by attending special events and by their friendship, encouragement and prayer.

The Sisters of Notre Dame De Namur are trustees of three voluntary aided schools – Notre Dame Catholic College, Liverpool; St Julie's High School, Liverpool; and Notre Dame High School, Southwark, London. Some sisters serve on the governing bodies of these three schools and one sister serves as a governor for Notre Dame, Sheffield.

Sister Anne Marie Niblock is Headteacher at Notre Dame RC Girls' School in Southwark, London.

As mentioned in the last trustees' report, she kept the school open every day during lockdown, including holidays, in order to support key workers and vulnerable children. Since schools reopened fully, Sister Anne Marie has continued to reach out to local schools both in leading a Faith Partnership of Catholics schools in the Local Authority and as the Link Headteacher with the Diocese. The consequences of the aftermath of the Covid pandemic continue to be felt in the school community. Mental health issues continue to grow both as a post Covid reality and the increasing stresses of a society which places enormous pressures on parents and carers. The rising costs of living echo in the lives of pupils and staff and for many Notre Dame High School, Southwark, London, is a place of safety. A place of acceptance and a place to attain one's potential.

**Mission** (continued)

♦ **Education** (continued)

Sister Rosemary O'Callaghan continues to work as Counsellor Chaplain at Notre Dame High School, Southwark, London. Post Covid lockdown, she maintains the levels of contact and support for the vulnerable students. Since restrictions have lifted her workload has greatly increased since one of the effects of lockdown has been increased family tensions and mental health issues.

Sister Margaret Jenkins continues in her crucial supportive role with students in Notre Dame Catholic College, Liverpool. Her focus is with those who struggle in mainstream education. She provides opportunities for students to talk about their problems in a safe environment. Her office is a haven for those who cannot cope at lunchtime in the dining room. She works alongside pupils to help them complete difficult work projects and currently she has a particular care for pupils suffering the effects of Covid. Margaret works alongside the chaplain in extending a practical outreach to the families of students. She is a listening compassionate presence to students and staff alike.

Over the years the governance of many secondary schools was passed from the sisters to local dioceses or local education authorities. Many have retained Notre Dame in their name. Close links continue to grow and be strengthened through the "Notre Dame Schools and Colleges Network" supported by Sisters Catherine Darby and Anne Marie Niblock.

- ♦ Notre Dame Norwich
- ♦ Notre Dame Plymouth
- ♦ Notre Dame Southwark
- ♦ Notre Dame Sheffield
- ♦ Notre Dame Sixth Form College Leeds
- ♦ Notre Dame Catholic College Liverpool
- ♦ St Julie's High School Liverpool
- ♦ Notre Dame Glasgow
- ♦ Fernhill School Glasgow
- ♦ Our Lady and St. Patrick's High School Dumbarton



UK NOTRE DAME NETWORK OF SCHOOLS AND COLLEGES TODAY

This year's Annual Conference 2022 included representatives from each school along with their head teachers. The head teachers continue to meet monthly via Zoom facilitated by Sister Catherine Darby. This encounter has created a 'sacred space' for mutual support and reflection.



**Mission** (continued)

♦ **Education** (continued)



The trustees also support the head teacher of St Julie's Catholic High School and the Deputy Head of Notre Dame Catholic College, Liverpool, who have replaced the Notre Dame sisters on the University Council.

♦ **Social and pastoral work**

The charity enables and supports individual members of the Congregation in ministry and outreach work thereby furthering the message set out in the Gospel to love one another. In order to provide direct service to the materially poor, and since most sisters are of retirement age, many sisters freely give their services in diverse ministries.

Some work for social justice, in adult literacy programmes, on safeguarding boards, in hospices, with the elderly, as hospital chaplains, prison visitors, as well as with socially deprived women and children suffering from the stress of their situation. Others serve on a vast variety of groups in their neighbourhoods, parishes and dioceses. They are to be found in some of the poorest parishes in the land. Sisters are working with refugees and asylum seekers in various parts of the country. Sisters with training and experience in a number of disciplines give service to individuals and groups as counsellors, psychologists, facilitators and assessors. It is worth noting that the sisters go on participating in these ministries well into their senior years.

The repercussions from the Covid pandemic continue to take their toll as the majority of sisters were in the vulnerable age range. However, the sisters continue to be outgoing and aware of the needs of other people. Via Zoom, sisters participate in regional and international Zoom meetings as well as local gatherings. Through online conversations they formed new friendships with people they had never met. In response to *Laudato Si* (Pope Francis Encyclical which deals with the crises in our environment), they also continue their own learning. They have also provided reflection days on the 'cry of the earth' in Edinburgh, Glasgow, Liverpool and the Southwest of England particularly in relation to the environment and the climate crisis. Our involvement in education of ourselves and others remains a strong impetus to witness to the Gospel imperative to care for creation.

*Some examples:*

**Psychotherapy**

Sister Gail Taylor is an adult psychoanalytic psychotherapist. She has been recognised by the Institute of Psychoanalysis.

**Mission** (continued)

♦ **Social and pastoral work** (continued)

***Caring for Survivors of abuse***

Sister Agnes Szraga gives support to groups and individual survivors of in-care childhood abuse. She does so through listening, advising on current related legislation and informing them of where to seek assistance.

Sister Elizabeth Brady has recently become a member of the Scottish Children's Panel which make important legal decisions for the children who attend – keeping their views at the heart of every legal hearing.

***Social deprivation***

Sister Maureen McGuigan continues her work with a local credit union in a deprived area. She keeps in touch with families through offering telephone support, thus enabling people to access funding and avoid debt.

***Our Canon Lawyers***

Sister Rachel Harrington, who lives in London and Sister Ishbel Macpherson, who lives in Glasgow, have doctorates in Canon Law. They remain two of the very few women who are fully qualified canonists.

Both Rachel and Ishbel fulfil the role of Judge in a number of diocesan and regional tribunals in England, Wales and Northern Ireland. Rachel serves on an Inter-Diocesan Tribunal which serves seven dioceses in Ireland. Much of their work can be done from home.

♦ **Overseas: Mission and development**

The British Province assists in the education and formation processes for our sisters in Africa and South America in a variety of ways. It helps support sisters working in the world's poorest countries and with the most disadvantaged people – for example in Democratic Republic of Congo, Nigeria, Peru, Kenya, South Africa and Zimbabwe.

Two sisters from Britain still work in Nigeria giving service in healthcare and educational programmes, the promotion of justice and peace and the empowerment of the poor. Other sisters fundraise for overseas development work by making Birthday, Christmas and All Occasion cards, making jewellery and knitting blankets. Many sisters also keep in touch with the younger generation of sisters in other parts of the world letter-writing. This is found to be a valued means of sharing experience, and encouragement.

## **Mission** (continued)

### ♦ **Other responsibilities: *Archives***

One of the duties of the Provincial Administration is to ensure that the archives are kept safely and that they are up to date.

The Sisters of Notre Dame were founded in the year 1804 and first came to England in 1845. The archives, therefore, cover the hundred years since the foundation of the British Province in 1920 and also include a large collection of documents relating to the life and work of the sisters who ministered in England and Scotland from 1845. The former dedicated archive building has been converted into accommodation for three sisters from the Childwall Community on the ground floor and the new reduced-size Provinciate on the first floor. Space is reserved on each floor for the archives storage and office. The work of the archives has been entrusted to a team of sisters. They receive and catalogue documents and respond to enquiries about the life and work of the sisters. These mainly come from research projects and family members.

## **Activities, specific objectives and relevant policies**

### ♦ **Activities and specific objectives**

Through our developing understanding of 'Mission' we search anew in each time and place for ways to spread the Gospel and to take our stand with the poor of the earth. According to our tradition we value education as fundamental.

As well as reaching out to the poor and needy, we care for the individual members of our Province by enabling and supporting them in living out their vocation and putting it into practice through a wide variety of educational, social, pastoral and religious works.

### ***Caring for members of the Congregation***

The Sisters of Notre Dame De Namur are committed to the care of their aged, sick and infirm sisters. In Britain all of the sisters are over 60 years of age; with 21 in their 90s; 58 in their 80s; 27 in their 70s; and five in their 60s. The sisters aim to keep the elderly as active as possible for as long as possible and provide care which enhances life. Since the closure of our Parbold Convent last year, facilities are provided in two communities to meet the differing needs of an ageing group. As previously reported both properties were adapted last year to cater for increased numbers and needs.

It is of particular importance that a high standard of care is maintained. To ensure this the sisters employ lay managers who co-ordinate the staff, update their training and take responsibility for maintenance of the buildings. In this way, the sisters can be confident as employers that staffing legislation, health and safety requirements and general good practice are all in place. An extensive programme of staff training using external agencies has been provided over the past years. The training is largely continued and updated 'in house' with external support when required. There is also in place an on-going programme of staff training. Currently we employ 99 members of staff.

## Activities, specific objectives and relevant policies (continued)

### ◆ Activities and specific objectives (continued)

Aftermath of Covid pandemic

As stated in last year's report, due to age and medical conditions most of the sisters, but in particular those who live in the large care communities, were considered vulnerable and remain so. A recent Covid outbreak in our Childwall Convent, Liverpool resulted in the imposition of safeguarding measures to contain the virus - limited contact with others. We continue to keep the procedures for the safety of staff and sisters under review, adapting as the situation changes.

### ◆ Relevant policies

#### ***Grants and donations policy***

Whilst the trustees agree to support organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

#### ***Investment policy***

Under the Trust Deed of the charity, the trustees may invest the charity's money, according to the law for the time being in force. The stockbrokers J M Finn and Co Limited offer their advice after taking account of the charity's ethical policy. The trustees, on the advice of the professional and lay advisers, review the policy annually. Catholic Social Teaching informs our investment policy. It also enhances the development of the charity and the achievement of its objectives. The requirements of the Charities Act, to seek out the best possible returns within acceptable levels of risk, are fulfilled. To achieve this we maintain a diversified investment portfolio.

#### ***Fundraising policy***

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 manages its own 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.

## Looking to the future

### ◆ Caring for members of the Congregation

In common with many religious congregations in Britain, the age profile of the members of the Province is increasing as existing members grow older and the number of new vocations decreases. At present the average age is 84.

### Looking to the future (continued)

#### ♦ **Caring for members of the Congregation** (continued)

The Province has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the work of education of the poor and marginalised in society. As the age profile of the Province increases so too does the need to provide care for the sisters. At present, 60 members of the Province are in need of varying levels of nursing care (2021:61). When hospitalisation is required, stays are kept to a minimum and sisters convalesce in one of the two large communities as they are able to give the care and support necessary.

Over the next decade, the trustees expect the proportion of sisters requiring care to increase. As a consequence, the trustees are giving careful consideration to the impact of this on the work of individual members of the Province, the property requirements of the Province and the financial implications.

### Achievements and performances

#### ♦ **Social and pastoral work**

Whilst only 2 (2021: 2) sisters are now in paid employment, the majority of able sisters perform some sort of voluntary, charitable or pastoral work.

Of the 99 staff employed by the Sisters of Notre Dame, most have vocational qualifications ranging from BTEC to the Registered Manager qualification. Staff members are well trained to take on additional responsibility either within our houses or within the wider community.

#### **SPRED**

The SPRED Religious Education program supported individuals with learning difficulties and volunteers during the year and the charity continues to expand and develop. There are groups serving parishes throughout Glasgow, Paisley and Motherwell where young people and adults with disability become full, active members of their parish community. The work was pioneered by two Sisters of Notre Dame who continue to take an active part in this work.

#### ♦ **Education**

Every year sisters organise a residential conference for Notre Dame schools and colleges at which staff from the three schools for which we are still trustees gather with staff from the seven former Notre Dame schools and colleges to share experience and practice. An appropriate speaker is invited to introduce the key theme at each conference. It is greatly welcomed as a valuable resource at a challenging time for schools.

## **Financial review**

### ***Results for the year***

A summary of the year's results can be found on page 27 of this report and accounts.

During 2022 total income amounted to £3,278,972 (2021: £3,999,184). £2,774,799 (2021: £3,401,744) was received by way of donations and legacies. This figure includes salaries and pensions of the sisters amounting to £2,594,305 (2021: £2,676,389) covenanted to the charity and legacy income of £169,478 (2021: £717,892). Investment income and interest receivable totalled £253,407 (2021: £219,700).

Income from disposal of tangible fixed assets totalled £232,717 compared to £359,399 in 2021. Further details are given in note 3 to the attached accounts.

Expenditure totalled £4,149,374 compared to £4,184,527 in 2021 with staff costs, although lower, continuing to represent a significant proportion of this and amounting to £1,571,136 (2021: £2,200,567).

Expenditure incurred on maintaining the members of the Province and supporting them in their pastoral work and ministry (excluding staff costs) amounted to £1,753,445 (2021: £1,863,251).

Specific expenditure in relation to potential property disposals includes an impairment provision of £518,300 made to reduce the value of one of the charity's properties as the market value of the property was considered to be less than its realisable value. Further details of the impairment are given in note 6 to the attached accounts. £199,417 has been expended on maintaining and securing the property while it is empty.

Expenditure on raising funds was £42,405 (2021: £41,506) and included fees paid to the charity's stockbrokers of £31,113 (2021: £29,846).

Net expenditure for the year before investment losses, therefore, was £870,402 (2021: before invest gains of £185,343). Investment losses amounted to £201,429 (2021: gains £737,456). Hence, there was a net decrease in funds for the year of £1,071,831 (2021: increase £552,113).

### ***Investment performance***

The stockbrokers continue to be guided by the trustees' investment policy set out earlier in this report and comply with the ethical guidelines given to them.

Due to current economic uncertainty the value of the portfolio decreased so it fell well short of its target of 10% growth. However, the income target of 3% was achieved. The trustees consider this reasonable at the current time. The investment performance is in line with investment performance generally and slightly exceeded the benchmark. Because of the relatively modest size of the portfolio, any variation away from that target has only a marginal effect on the viability of the charity. The charity's brokers are instructed to conduct the portfolio in a medium risk manner.

The trustees will continue to review performance but, given that they view their investments as being for the long term, they remain confident that the policy adopted is appropriate for the charity.

## **Financial review** (continued)

### ***Reserves policy and financial position***

#### *Reserves policy*

The reader will discern from the foregoing that the charity carries out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees recognise the need to provide adequately for the maintenance of the sisters in their retirement.

Total restricted funds held at the end of the year are £9,483 (2021: £10,733) With the exception of these small restricted funds, all of the charity's assets are held as unrestricted funds.

Those unrestricted funds represented by tangible fixed assets are shown as a separate tangible fixed assets fund 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.

Similarly, those properties held as programme related investments are held as a separate designated fund - the programme related investments fund. These investments comprise land and buildings owned by the charity but used by other charity and not-for-profit organisations with charitable objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The trustees have examined the need 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 commitments and the sources of its cash flows, the level of free reserves should be equal to at least six months' expenditure. The current level of reserves reaches this target.

The trustees endeavour to build on the rationalisation that took place last year to improve liquidity and build sufficient reserves to sustain the care of the elderly sisters to the end of their lives in the face of diminishing incomes and increasingly costly care needs.

In 2017, the trustees established a sisters' retirement fund to provide for the future costs of providing nursing care to elderly sisters who have dedicated their working lives to the charity. The amount currently designated is restricted to the funds available to the charity. Further sums will be designated as they become available.

The trustees review their reserves policy annually.

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

*Financial position*

The balance sheet shows total reserves of £25.3 million (2021: £26.4 million). Of this, £16.4 million (2021: £17.7 million) is represented by the net book value of properties and other tangible fixed assets essential for the support and work of the sisters whilst £2.1 million (2021: £2.1 million) comprises funds represented by properties classified as programme related investments.

As noted above, the trustees established a sisters' retirement fund in 2017. This amounts to £4.75 million (2021: £4.5 million), and is represented by investments. In the context of the total sum that will be needed in future years to provide for the sisters as they grow older, this amount is not large enough. However, it is hoped that further sums can be designated in future years as they become available following property disposals.

Funds available to support the work of the sisters in the future, in particular the support of the Province's ministry and its development and charitable work overseas, are shown as general funds on the balance sheet and amount to £2.1 million (2021 - £2.1 million). This figure needs to be considered in the light of annual expenditure of approximately £4 million, the increasing age profile of the sisters and the need for the charity to continue to support the work of the Congregation, both in this country and overseas. The sisters are also aware of the importance to the charity of the investment assets and the income generated therefrom. Given the continuing economic uncertainty, and the potentially continuing challenges of Covid, there is a real need to retain monies to enable the long term financial stability of the charity. As noted above, the trustees believe that the charity's free reserves are adequate, at the current time. As noted elsewhere in the trustees' report the trustees are developing plans to dispose of properties surplus to their needs to generate funds to meet the charity's ongoing financial needs.

**Tax exemptions etc.**

The beneficiaries of the work of the charity have the assurance that all of 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 enjoys 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, and a 50% reduction in Council Tax for its properties that are occupied by members of the Congregation. The financial benefits received as a result of these exemptions are all applied for the purposes of furthering the Roman Catholic faith by enabling and supporting the sisters to live out their vocation and to put it into practice through a wide variety of religious and other charitable works.

The nature of the charity's activities means that it is unable to reclaim VAT input tax on its costs as it is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes.



### **Future plans**

The charity is working with the Congregation to update its strategy to continue the mission of the Sisters of Notre Dame de Namur in all of the global areas in which it operates whilst balancing this against the need to care for the increasingly elderly sisters who have sustained this mission in years gone by. The strategy will determine where resources are targeted. The sisters are working to maximise those resources by seeking to obtain the optimum efficiencies in their operational costs and care provision. To achieve this the trustees are looking at their property portfolio with an aim to release capital to meet the charity's financial obligations. To this end the three large, care-giving convents were reduced to two last year, and the trustees are reviewing the accommodation in Scotland and its suitability for the current and future needs of the sisters.

### **Governance, structure and management**

#### **Governance**

In terms of Canon law, the Congregation is governed at an international level by the General Moderator and her Congregational Leadership Team. They are elected every six years at a General Chapter which is a meeting of representatives of all provinces of the Congregation. The British Province is governed by the Provincial Moderator and her Provincial Leadership Team, who are elected by members of the Province in accordance with the Province's Government Plan. Appointments to the Provincial Leadership Team are ratified canonically by the Congregational Leadership Team.

The Congregational Leadership Team is accountable to the General Chapter which is the Supreme Legislative Authority in the Congregation. The most recent General Chapter took place in 2021.

In terms of Civil law, the British Province of the Congregation is an unincorporated body registered under the Charities Act, Charity Registration Number 232411, and governed by a Trust Deed dated 31 December 1953. The charity is also registered in Scotland with the Charity Registration Number SC038746.

The members of the Provincial Leadership Team are also the trustees and the directors of the corporate trustee, The Notre Dame Trustee Co Limited, which is registered as a trust corporation.

The members of the Provincial Leadership Team are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout Britain and their ability to work with and lead the sisters of the Province.

As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend at least one full day with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisers over the course of several days to obtain a full briefing of their responsibilities and the charity's position.

All trustees are members of the Congregation and as such their living and personal costs are borne by the charity. However, they receive no remuneration or expenses for their services as trustees.

## **Governance, structure and management** (continued)

### ***Governance*** (continued)

With one exception, the present trustees were appointed in May 2021 and took office on 15 August 2021. On appointment as trustees, the sisters participate in a detailed induction programme which is devised as part of the handover process and involves lay managers, consultants and professional advisers so as to explain their duties as trustees.

Trustees are encouraged to attend various relevant training sessions where appropriate such as: Conference of Religious conferences; safeguarding conferences; finance workshops; spiritual and theological development courses; and ICT training.

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 trustees in office is given below:

#### *Sister Mary McClure*

Sister Mary McClure was appointed as Provincial Moderator in August 2021. She previously served on the Provincial Leadership Team from 2009 to 2014 and has also served on the General Government Team between 1996 and 2000, where she worked with the units in the USA, South America and Africa. She has been involved at all levels of education: primary and secondary teaching; higher education as a senior lecturer in Theology and Post-Graduate Teacher Education, and has published in the field of Religious and Moral Education. Mary offers 'facilitation' for communities and schools and has worked as a chaplain/counsellor in a secondary school. She has held management roles in a number of organisations that educate, empower and safeguard women.

#### *Sister Catherine Darby*

Sister Catherine Darby was appointed to the Provincial Leadership Team in August 2021. She has served on two previous teams from 1999 to 2004 and from 2004 to 2009. Catherine's professional background is in education: her experience ranges from teaching in primary schools in Lancashire and London, ten years as adviser for primary schools in the Shrewsbury Diocese and her most recent ministry is in parish and adult faith formation. This latter ministry led to her being one of the two UK coordinators to initiate and liaise with the Institute of Pastoral Studies, Loyola University, Chicago and the northern dioceses a Certificate in Pastoral Ministry. She was also a collaborator in establishing an inter-diocesan certificate for a Diploma for Pastoral Leadership in Pastoral Ministry. Catherine was asked to be a member of the group setting up a pilot project for the formation of lay pastoral associates in the Liverpool Archdiocese.

#### *Sister Margaret Walsh*

Sister Margaret Walsh was appointed to the Provincial Team in August 2021. She has worked in both secondary and higher education. After teaching in secondary schools she moved into an advisory service for adult theological education. As an advisor she worked with teachers, clergy and laypeople. Later she was appointed to be the director of an ecumenical college where she taught degree courses for Manchester University to students who were preparing for ministry in the various Christian denominations. This work included working with leaders in the local Muslim community. After retiring from full-time teaching she served as chair of governors at St Julie's Catholic High School, Liverpool. She also worked with the Sisters of Notre Dame as co-ordinator of their International Heritage Centre in Namur, Belgium.

## **Governance, structure and management** (continued)

### ***Governance*** (continued)

#### ***Sister Elizabeth Brady***

Sister Elizabeth Brady was a member of the Provincial Leadership Team from 15 August 2014 to 15 August 2021 she was reappointed as a trustee on 10 March 2022. She has worked in the field of primary education in both Scotland and England. She worked for 12 years in Liverpool first as Deputy Head Teacher and then Head Teacher for nine years in Saint Matthew's Junior School. She then returned to Scotland and was Head Teacher in St Michael's Primary School, West Dunbartonshire for 13 years. After qualifying as a play therapist she spent three years at the Notre Dame Centre in Glasgow. More recently she has worked as a panel member with Children's Hearings Scotland.

#### ***Key management personnel***

The trustees consider that they are the key management personnel of the charity responsible for directing and controlling the charity and running and operating the charity on a day to day basis. In this they are advised and supported by the Business Manager and the Finance Manager who implement the trustees' decisions, as outlined below.

The pay of the Business Manager and the Finance Manager is reviewed annually by the trustees and normally increased in line with inflation. Consideration is given also to any changes in roles or responsibilities and pay is benchmarked against similar roles to ensure that it is in line with market rates and is fair.

#### ***Structure and management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. They are assisted in this task by the Business Manager and the Finance Manager who deal with finance, resources and secretarial matters. The lay managers provide a link between successive Provincial Leadership Teams but possess no executive authority. They, together with external advisers, advise the trustees as to their legal and fiscal responsibilities and duties and provide training in these matters.

When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment brokers, solicitors and accountants.

The Provincial Moderator or a member of the Provincial Team is required to visit each sister regularly and throughout the year there is a system of accountability operational throughout the Province to ensure that the General Moderator and her Congregational Leadership Team are aware of the progress and development of the ministries carried out by the sisters of the Province. A visit by the General Moderator and Congregational Leadership Team is made to the British Province at least once every six years, the most recent having taken place in September and October 2016.

## **Governance, structure and management** (continued)

### ***Governance*** (continued)

The sisters are housed in a variety of communities and residences throughout Britain. Currently these are: two large communities with care provision; one community of seven sisters; three communities of two sisters; and 38 residences of individual sisters.

The two large communities are administered by local Moderators and they are assisted in this task by lay managers. In view of the age profile of our sisters we are exploring other models of pastoral care and management for the future.

### ***Statement of trustees' responsibilities***

The trustees are responsible for preparing the trustees' report and 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 and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year.

In preparing 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 of 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### ***Risk management***

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Congregation faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

## **Governance, structure and management (continued)**

### **Risk management (continued)**

Trustees and senior management are responsible for overseeing the risk assessment each year, focusing on internal and external risk factors.

The Covid pandemic had and continues to clearly present us with challenges and threats to the well-being of 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 and the sisters.

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

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws, regulations, external and environment

*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. The main risk in this area is the diminishing numbers of sisters. The trustees are working with the rest of the Congregation on a strategy for the future that addresses this reality practically and financially.

*Operational* looks at the risks inherent in the charity's activities. These include:

- ◆ adequate insurance for our properties and regular evaluation of those properties;
- ◆ the provision of anti-virus software to protect our computing systems;
- ◆ regular fire inspections and renewal of firefighting equipment;
- ◆ mandatory training for staff in our nursing and care facilities in administration of medicines and safe manual handling, etc.

The pandemic has had a significant impact on the operation of the charity. The age profile of the sisters and the fact that the most elderly and vulnerable of them live in large communities has meant that it has had to operate differently to keep them and the staff caring for them safe. To do this they have followed Government guidance. It has been a challenging time for the sisters. Restrictions have been eased but remain under constant review.

Testing and especially the vaccine has eased the pressure on the convents but challenges remain in making sure there are sufficient staff to give the care that is needed. As ever the trustees are grateful for the loyalty and professionalism of our colleagues who have worked incredibly hard in difficult circumstances. Measures are in place to protect our most vulnerable sisters in the event of energy shortages.

## **Governance, structure and management** (continued)

### ***Risk management*** (continued)

*Financial* risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc. The main source of income of the charity is donations of sisters' pensions and salaries which have not been affected by the current crisis. There have been some increases in costs, with wage pressure linked to staff shortages being a particular issue. The reduction of three large houses to two was delayed because Covid security measures meant delays to sisters moving. The main concern is the effect that the pandemic, the UK exit from the European Union, and the war in Ukraine will have on the economy generally, and on the property market in particular. The charity is dependent on property sales to support future activities.

With the Congregation we are involved in a strategic review to ensure our financial viability in the future and, as outlined in the accounts, they have provided funds to facilitate this.

The charity's assets comprise listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed with the help of reputable stockbrokers adhering to a policy agreed by the trustees. The trustees meet regularly with the stockbrokers and the performance of the portfolio is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

We maintain communications with our investment managers and, whilst there are concerns over stability, we are long term investors, and trust we will continue to benefit from the portfolio in future.

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

The charity is working with the Conferences of Religious in England and Scotland to support their work on safeguarding issues and to ensure that the charity can fully co-operate in any enquiry, should it be required to. The care of the sisters is undertaken with reference to the charity's Child Protection and Vulnerable Adults policy under the guidance of the Province Protection Officers who are responsible for guiding, reporting and ensuring that the best practice in the care of all of the sisters is adhered to at all times.

*Laws, regulations, external and environment* looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's care facilities and elsewhere.

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.

**Trustees' report** 31 August 2022

**Employees and members of the Congregation**

The trustees wish to record their recognition of the professionalism and commitment of all their staff and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

Approved by the trustees and signed on their behalf by:

Margaret Walsh

Trustee

Approved by the trustees on: 20 February 2023

**Independent auditor's report to the trustees of Institute of the Sisters of Notre Dame De Namur British Province**

**Opinion**

We have audited the accounts of Institute of the Sisters of Notre Dame De Namur British Province (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statements of cash flows 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 31st August 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and 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 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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 the trustees and the review of minutes of meetings of the trustees.

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 the trustees as to where they considered there was susceptibility to fraud and 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;
- ◆ Gained an understanding of the processes in place for the management of the charity's investments and confirmed the validity of investment movements; 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:

- ◆ Reviewing the minutes of meetings of trustees;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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(1)(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

24 March 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 August 2022

	Notes	2022			2021		
		Un-restricted funds £	Restricted funds £	Total funds £	Un-restricted funds £	Restricted funds £	Total funds £
<b>Income from:</b>							
Donations and legacies	1	2,767,771	7,028	2,774,799	3,396,116	5,628	3,401,744
Investments and interest receivable	2	253,407	—	253,407	219,700	—	219,700
Charitable activities							
. Book royalties		432	—	432	755	—	755
. Other		17,617	—	17,617	17,586	—	17,586
Other sources							
. Surplus on disposal of tangible fixed assets	3	232,717	—	232,717	359,399	—	359,399
<b>Total income</b>		<b>3,271,944</b>	<b>7,028</b>	<b>3,278,972</b>	<b>3,993,556</b>	<b>5,628</b>	<b>3,999,184</b>
<b>Expenditure on:</b>							
Raising funds	4	42,405	—	42,405	41,506	—	41,506
Charitable activities							
. Support of members of the Congregation and their ministry	5	3,298,584	2,494	3,301,078	4,050,514	4,948	4,055,462
. Specific expenditure in relation to potential property disposals	6	717,717	—	717,717	—	—	—
. Programme related investments	7	81,170	—	81,170	81,170	—	81,170
. Grants and donations	8	1,220	5,784	7,004	720	5,669	6,389
<b>Total expenditure</b>		<b>4,141,096</b>	<b>8,278</b>	<b>4,149,374</b>	<b>4,173,910</b>	<b>10,617</b>	<b>4,184,527</b>
<b>Net expenditure before investment (losses) gains</b>	11	<b>(869,152)</b>	<b>(1,250)</b>	<b>(870,402)</b>	<b>(180,354)</b>	<b>(4,989)</b>	<b>(185,343)</b>
Net (losses) gains on the revaluation and disposal of listed investments		(201,429)	—	(201,429)	737,456	—	737,456
<b>Net (expenditure) income and net movement in funds</b>		<b>(1,070,581)</b>	<b>(1,250)</b>	<b>(1,071,831)</b>	<b>557,102</b>	<b>(4,989)</b>	<b>552,113</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward at 1 September 2021		26,364,681	10,733	26,375,414	25,807,579	15,722	25,823,301
Fund balances carried forward at 31 August 2022		25,294,100	9,483	25,303,583	26,364,681	10,733	26,375,414

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

All of the charity's activities derived from continuing operations during the above two financial periods.

**Balance sheet** 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	13		<b>17,406,287</b>		18,663,291
Investments					
. Listed investments	14		<b>5,680,901</b>		5,899,162
. Programme related investments	15		<b>2,064,022</b>		2,064,022
			<b>25,151,210</b>		26,626,475
<b>Current assets</b>					
Debtors	16	<b>235,906</b>		696,782	
Cash at bank and in hand		<b>1,738,985</b>		943,308	
		<b>1,974,891</b>		1,640,090	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	<b>(1,822,518)</b>		(1,891,151)	
<b>Net current assets (liabilities)</b>			<b>152,373</b>		(251,061)
<b>Total net assets</b>			<b>25,303,583</b>		26,375,414
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
Restricted funds	18		<b>9,483</b>		10,733
Unrestricted funds					
. Tangible fixed assets fund	19	<b>16,406,287</b>		17,663,291	
. Programme related investment fund	20	<b>2,064,022</b>		2,064,022	
. Designated funds	21	<b>4,750,000</b>		4,500,000	
. General fund		<b>2,073,791</b>		2,137,368	
			<b>25,294,100</b>		26,364,681
			<b>25,303,583</b>		26,375,414

Approved by the trustees  
and signed on their behalf  
by:

Catherine Darby

Trustee  
Approved on: 20 February 2023

## Statement of cash flows Year to 31 August 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(71,705)</b>	(1,063,806)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>250,954</b>	221,426
Proceeds from the disposal of tangible fixed assets		<b>827,652</b>	1,094,399
Purchase of tangible fixed assets		<b>(228,056)</b>	(137,577)
Proceeds from the disposal of listed investments		<b>401,396</b>	188,057
Purchase of listed investments		<b>(377,451)</b>	(165,181)
<b>Net cash provided by investing activities</b>		<b>874,495</b>	1,201,124
<b>Change in cash and cash equivalents in the year</b>		<b>802,790</b>	137,318
<b>Cash and cash equivalents at 1 September 2021</b>	B	<b>946,604</b>	809,286
<b>Cash and cash equivalents at 31 August 2022</b>	B	<b>1,749,394</b>	946,604

### Notes to the statement of cash flows for the year to 31 August 2022

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

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,071,831)</b>	552,113
<b>Adjustments for:</b>		
Depreciation	<b>237,327</b>	283,809
Impairment of tangible fixed assets	<b>518,300</b>	—
Amortisation of programme related investments	<b>16,667</b>	16,667
Release of capital grant in respect to programme related investments	<b>(16,667)</b>	(16,667)
Losses (gains) on investments	<b>201,429</b>	(737,456)
Investment income and interest receivable	<b>(253,407)</b>	(219,700)
Surplus on disposal of tangible fixed assets	<b>(232,717)</b>	(359,399)
Decrease (increase) in debtors	<b>463,329</b>	(515,092)
Increase (decrease) in creditors	<b>65,865</b>	(68,081)
<b>Net cash used in operating activities</b>	<b>(71,705)</b>	(1,063,806)

## Statement of cash flows Year to 31 August 2022

### B Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Non-cash movements £	At 31 August 2022 £
Cash at bank and in hand	943,308	795,677	—	<b>1,738,985</b>
Cash held by stockbrokers for re-investment	3,296	7,113	—	<b>10,409</b>
	<u>946,604</u>	<u>802,790</u>	<u>—</u>	<u><b>1,749,394</b></u>
Debt due within one year				
. Loan from The Sisters of the Notre Dame De Namur Generalate	(1,000,000)	—	—	<b>(1,000,000)</b>
<b>Totals</b>	<u>(53,396)</u>	<u>802,790</u>	<u>—</u>	<u><b>749,394</b></u>

### C Reconciliation of net cash flow to movement in net debt

	2022 £	2021 £
<b>Increase in cash</b>	<b>802,790</b>	137,318
<b>Changes in net debt arising from cash flows</b>	<b>—</b>	—
<b>Movement in net debt in year</b>	<b>802,790</b>	137,318
Net debt at 1 September 2021	<u>(53,396)</u>	(190,714)
<b>Net debt at 31 August 2022</b>	<u><b>749,394</b></u>	<u>(53,396)</u>



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 August 2022 with comparative information given in respect to the year to 31 August 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), 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 such judgements and estimates have been made include:

- ◆ estimating the useful economic lives of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ determining the size of the sisters' retirement fund, in order to provide for the continuing care of the members;
- ◆ determining the allocation of salaries across expenditure headings based on the time spent on each activity by staff members;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure;
- ◆ assessing the probability of the receipt of legacy income;
- ◆ the determination of any impairment charge in respect to tangible fixed assets; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

### **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.

The trustees acknowledge and recognise the residual impact of the Covid-19 pandemic and the current global issues on the charity and have concluded that there will continue to be some negative consequences such as the impact on investment income, difficulties in liquidating capital, difficulties in recruitment and the physical absence of key personnel. However, 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 August 2023, the most significant areas that affect the carrying value of the assets held by the charity are the performance of the investment and property markets (see the investment policy and the risk management sections of the trustees' report for more information).

In addition to the above, the long term impact following the emergence of the global Covid-19 pandemic, the Ukrainian war and associated energy crisis is still unknown. Therefore, it is not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, suppliers and the wider economy. Estimates used in the accounts are subject to a greater degree of uncertainty and volatility. Future income and expenditure flows have been estimated in order to assess the impact if any on going concern.

The trustees have considered the impact of these issues on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **Income recognition**

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

Income comprises donations and legacies; investment income from listed investments and programme related investments; interest receivable; income from charitable activities; 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.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

### **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.

Income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due. Income from programme related investments comprises rental income from properties used by voluntary aided schools and other registered charities for purposes consistent with the objects of the Institute of the Sisters of Notre Dame De Namur British Province, and is recognised when due under the lease arrangements with the entities. Income from all investments is accounted for only when the receipt of such income is probable, and the amount can be measured reliably.

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.

Income from charitable activities comprises income in respect to book royalties; income from the sale of calendars and other sundry income. Income in respect to book royalties is recognised on an accruals basis.

A surplus on the disposal of tangible fixed assets or on the disposal of programme related investments 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. Where legal completion takes place subsequent to the year end but an exchange of contracts has taken place prior to the year end, any surplus on disposal is accounted for in the year of exchange unless completion was conditional on certain acts being carried out by the charity between the year end and completion.

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. All expenses are allocated to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes stockbrokers' fees and an allocation of support costs as outlined in note 9.

**Expenditure recognition** (continued)

- ◆ 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:
  - ◇ Expenditure on the support of members of the Congregation and their ministry. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the relief of poverty and supporting the other charitable activities of members of the Congregation.
  - ◇ Specific expenditure in relation to potential property disposals including any necessary impairment against the carrying amount of such property, security costs, maintenance costs and other costs associated with the empty property.
  - ◇ Expenditure on programme related investments including any rent payable on leasehold assets and the amortisation.
  - ◇ Grants and donations to support the Congregation's own work overseas and to support other charitable organisations with objectives consistent with those of the charity.
  - ◇ Expenditure on readying properties for disposal together with any impairment in respect to the charity's tangible fixed assets.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of 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 financial procedures, provision of office services and equipment.

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. Governance costs are apportioned using percentages based on the expenditure incurred on the activities of the charity.

The majority of expenditure on support and governance is allocated to the charitable activities of care of members of the Congregation and enabling their ministry, with a small proportion allocated to expenditure on raising funds.

**Tangible fixed assets**

All items of furniture and equipment or groups of such assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised. Computers are capitalised regardless of cost.

**Tangible fixed assets (continued)**

◆ Freehold land and buildings

Freehold land and buildings are included in the accounts at their valuation as at 31 August 2014. This valuation has been deemed to be cost under the transitional arrangements set out in FRS 102 and will apply going forward with additions accounted for at cost. In years prior to 31 August 2014 freehold land and buildings were included in the accounts at a valuation based on existing use or depreciated replacement cost, depending on the nature of the property. Valuations were updated on a “rolling basis” with each property’s value being updated at least every five years.

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at deemed cost at 31 August 2014 (see above) with additions since that date stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, to confirm that their residual value is not materially less than their book value. When this is deemed to be the case, an impairment provision is made (see below).

Specialised buildings comprise large residential convents. They are stated net of depreciation at deemed cost 31 August 2014 (see above) with additions since that date stated at cost minus depreciation. Depreciation is provided at 2% per annum on a straight-line basis in order to write off the buildings over their estimated useful economic life to the charity.

◆ Improvements to property

Expenditure on improvements to property is capitalised and depreciated over a 20 year period on a straight line basis.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a three or fifteen year period on a straight line basis for computers and fixtures and fittings respectively.

◆ 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.

An impairment review in respect to a particular class of asset is carried out if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

### **Fixed asset investments**

◆ **Listed 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 if 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.

◆ **Programme related investments**

Programme related investments include buildings owned by the charity but used by other organisations for purposes consistent with the charity's objectives. The original cost of the buildings classified as programme related investments is not known. They are included on the balance sheet at a trustees' valuation determined in 1999 (the last valuation carried out prior to their classification as programme related investments) adjusted for any impairments in value. The valuations are stated net of grants received to develop the properties. The trustees' valuation was made, with professional assistance, in 1999 on the basis of replacement cost for existing use. The valuations have been updated subsequently for any impairment in value based on informal advice received from the trustees' professional advisers. Any gain or loss arising from disposal or any loss arising from impairment is credited or charged to the statement of financial activities.

### **Debtors**

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

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

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

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

### **Grants from the Department for Education**

Grants received from the Department for Education and used to fund the development of the properties used by the voluntary aided schools have been credited against the valuation of the properties held as programme related investments and are shown in note 15.

In the event of the sale or disposal by other means, of any asset for which a capital grant was received, the charity is required to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. If the value of the property falls below the amount of the grant received, then a proportion of the grant is released to the statement of financial activities as a credit against the revaluation.

### **Fund accounting**

The reserves are used to fulfil the charity's missions. The reserves policy is set out in the trustees' report.

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

The tangible fixed assets fund represents the net book value of those tangible fixed assets used for the support of the sisters and their ministry net of loans secured against such properties. A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by other charitable and not-for-profit organisations with objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**Fund accounting** (continued)

The designated funds are monies or other assets set aside out of general funds and designated for specific purposes by the trustees.

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

**Pension costs**

In order to comply with the auto enrolment requirements introduced by the Pensions Act 2008, the charity offers its employees membership of a defined contribution pension scheme. Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held independently of the charity.

**Leased assets**

Rentals payable under operating leases and interest under hire purchase arrangements are taken to the statement of financial activities on a straight line basis over the lease or hire purchase term.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

**Services provided by members of the Congregation**

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



**1 Income from: Donations and legacies**

	2022			2021		
	Un-restricted funds	Restricted funds	Total	Un-restricted funds	Restricted funds	Total
	£	£	£	£	£	£
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	2,594,305	—	2,594,305	2,676,389	—	2,676,389
Legacies receivable	169,478	—	169,478	717,892	—	717,892
Other donations and gifts	3,988	7,028	11,016	1,835	5,628	7,463
<b>Total funds</b>	<b>2,767,771</b>	<b>7,028</b>	<b>2,774,799</b>	<b>3,396,116</b>	<b>5,628</b>	<b>3,401,744</b>

In 2021 legacies receivable included £650,928 from the estate of a member of the Congregation who died in 1924. The legacy arose following the distribution into that estate of proceeds from the sale of land held on trust for the benefit of the deceased.

**2 Income from: Investments and interest receivable**

	Un-restricted funds	Restricted funds	Total 2022	Un-restricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Income from listed investments						
. UK fixed interest	1,578	—	1,578	1,229	—	1,229
. UK equities	119,306	—	119,306	87,011	—	87,011
. UK unit trusts	11,102	—	11,102	34,502	—	34,502
. Overseas unit trusts	1,307	—	1,307	2,255	—	2,255
. Overseas equities	37,949	—	37,949	13,930	—	13,930
	<b>171,242</b>	<b>—</b>	<b>171,242</b>	<b>138,927</b>	<b>—</b>	<b>138,927</b>
Interest earned on deposit accounts	995	—	995	(397)	—	(397)
Income from programme related investments						
. Rental income	81,170	—	81,170	81,170	—	81,170
<b>Total funds</b>	<b>253,407</b>	<b>—</b>	<b>253,407</b>	<b>219,700</b>	<b>—</b>	<b>219,700</b>

**3 Income from: Other sources – Surplus on disposal of tangible fixed assets**

Surplus on disposal of tangible fixed assets includes £225,791 in respect to land and buildings compared to £353,344 in 2021.

In 2021 surplus on disposal of tangible fixed assets contained £193,179 in respect to the disposal of land situated at Cardross Road, Dumbarton. The charity had entered into an agreement with a Promoter under which the Promoter would apply for planning permission (including listed building consent regarding a derelict chapel on the site) and market the land for development during an agreed promotion period. Following the successful sale of the land for development, the Promoter was entitled to a defined proportion of the sale receipts with the charity being entitled to receive a minimum value of £500,000. The surplus of £193,179, therefore, is stated after deducting the amount payable to the Promoter under the agreement.

**4 Expenditure on: Raising funds**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Stockbrokers' fees	31,113	—	31,113	29,846	—	29,846
Allocated support costs (note 9)	11,292	—	11,292	11,660	—	11,660
<b>Total funds</b>	<b>42,405</b>	<b>—</b>	<b>42,405</b>	<b>41,506</b>	<b>—</b>	<b>41,506</b>

**5 Expenditure on: Support of members of the Congregation and their ministry**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Premises	325,236	1,517	326,753	401,010	3,327	404,337
Staff costs	1,390,990	—	1,390,990	2,033,453	—	2,033,453
Sisters' living and personal expenses	1,053,155	—	1,053,155	1,050,547	—	1,050,547
Education, training and spiritual renewal	5,010	875	5,885	1,876	1,543	3,419
Depreciation	237,327	—	237,327	283,809	—	283,809
Management costs (including allocated support costs of £214,558 (2021 - £221,537) (note 9))	286,866	102	286,968	279,819	78	279,897
<b>Total funds</b>	<b>3,298,584</b>	<b>2,494</b>	<b>3,301,078</b>	<b>4,050,514</b>	<b>4,948</b>	<b>4,055,462</b>

**6 Specific expenditure in relation to potential property disposals**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Impairment Provision	518,300	—	518,300	—	—	—
Costs of security and running of the property (including staff costs of £15,259)	199,417	—	199,417	—	—	—
<b>Total funds</b>	<b>717,717</b>	<b>—</b>	<b>717,717</b>	<b>—</b>	<b>—</b>	<b>—</b>

As noted in the trustees' report, the contract for the sale of charity's property at Parbold, Lancashire was due to be agreed at the end of July 2021 but the buyers withdrew their offer before exchange of contracts. The property was re-marketed and is now under offer once again. In 2020, as explained in note 13 to these accounts, the trustees had been advised that the sale proceeds that might be achieved would be less than the net book value of the property and hence an impairment provision was deemed necessary during the year to 31 August 2020. As the new sale has progressed further potential costs have been identified and a further impairment provision has been made.

The charity continues to incur expenditure in relation to security and other costs of maintaining the property.

**7 Expenditure on: Programme related investments**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Rent	81,170	—	81,170	81,170	—	81,170
Amortisation	16,667	—	16,667	16,667	—	16,667
Capital grant no longer repayable following disposal of property (see below)	(16,667)	—	(16,667)	(16,667)	—	(16,667)
<b>Total funds</b>	<b>81,170</b>	<b>—</b>	<b>81,170</b>	<b>81,170</b>	<b>—</b>	<b>81,170</b>

In the past, the charity had received capital grants from the Department for Education in respect to the property disposed of. However, as explained in note 15, the trustees are of the opinion that capital grants received from the Department for Education, recovered from the disposal proceeds of the original property and used subsequently to fund the purchase of a new building have been reinvested in buildings to be used for the provision of state education. As a consequence, they do not deem any such capital grants to be repayable at the current time. An amount equivalent to the amortisation of the leasehold property is eliminated from grants repayable to offset the annual amortisation charges.

**8 Expenditure on: Grants and donations**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Grants in support of the overseas missionary work and ministry of Institute of The Sister of Notre Dame De Namur British Province	287	5,784	6,071	—	5,669	5,669
Other grants and donations	933	—	933	720	—	720
<b>Total funds</b>	<b>1,220</b>	<b>5,784</b>	<b>7,004</b>	<b>720</b>	<b>5,669</b>	<b>6,389</b>

**9 Support costs**

	Raising funds (note 4) £	Support of members and their ministry (note 5) £	2022 Total £	Raising funds (note 4) £	Support of members and their ministry (note 5) £	2021 Total £
Provincial administration						
. Staff costs	8,244	156,643	164,887	8,356	158,758	167,114
. Office costs	2,048	38,915	40,963	2,295	43,598	45,893
Governance costs (note 10)	1,000	19,000	20,000	1,009	19,181	20,190
	<b>11,292</b>	<b>214,558</b>	<b>225,850</b>	<b>11,660</b>	<b>221,537</b>	<b>233,197</b>

The charity allocates its support costs on a basis consistent with the use of resources.

**10 Governance costs**

	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Professional fees	<b>20,000</b>	—	<b>20,000</b>	20,190	—	20,190

**11 Net expenditure before investment (losses) gains**

This is stated after charging (crediting):

	Total 2022 £	Total 2021 £
Staff costs (note 12)	<b>1,571,136</b>	2,200,567
Auditor's remuneration		
. Statutory audit fee (including VAT) – current year	<b>20,000</b>	18,840
. Statutory audit fee (including VAT) – prior year	—	5,160
Depreciation	<b>237,327</b>	283,809
Rental income	<b>(81,170)</b>	(81,170)
Operating lease charges		
. Equipment	<b>4,182</b>	4,418
. Land and buildings	<b>4,845</b>	8,590

**12 Staff costs, key management personnel and trustees' remuneration**

Staff costs during the year were as follows

	Total 2022 £	Total 2021 £
Wages and salaries	<b>1,348,425</b>	1,763,187
Social security costs	<b>87,365</b>	115,407
Pension costs	<b>21,794</b>	25,836
	<b>1,457,584</b>	1,904,430
Agency staff	<b>88,169</b>	27,413
Redundancy costs	<b>25,383</b>	268,724
	<b>1,571,136</b>	2,200,567

The average number of employees during the year expressed as both full time equivalent (FTE) and average numbers, analysed by function, was:

	2022 average	2021 average	2022 FTE	2021 FTE
Central administration and support	<b>4</b>	5	<b>3</b>	3
Support of members of the congregation and their ministry	<b>86</b>	121	<b>53</b>	73
	<b>90</b>	126	<b>56</b>	76

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2021 – £nil).

**11 Staff costs, key management personnel and trustees' remuneration (continued)**

The trustees consider that they together with the Business Manager and the Finance Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the material charitable activities on a day to day basis. The total remuneration (including taxable benefits and employer's pensions contributions) of the Business Manager and the Finance Manager for the year was £96,825 (2021 - £111,415).

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2021 - £nil).

**12 Taxation**

Institute of the Sisters of Notre Dame De Namur British Province is a registered charity and, therefore, is not liable to income tax or corporation tax on income on gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

**13 Tangible fixed assets**

	Land and buildings		Property Improve- ments	Furniture and equipment	Motor vehicles	Total £
	Non- specialised £	Specialised £	£	£	£	£
<b>Cost or deemed cost</b>						
At 1 September 2021	9,157,500	11,716,801	—	649,573	464,309	<b>21,988,183</b>
Reclassification	—	(31,795)	31,795	—	—	—
Additions	—	—	63,311	1,659	28,588	<b>93,558</b>
Disposals	(592,500)	—	—	(139,263)	(75,236)	<b>(806,999)</b>
At 31 August 2022	<u>8,565,000</u>	<u>11,685,006</u>	<u>95,106</u>	<u>511,969</u>	<u>417,661</u>	<u><b>21,274,742</b></u>
At cost	—	185,006	95,106	511,969	417,661	<b>1,209,742</b>
At deemed cost	<u>8,565,000</u>	<u>11,500,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u><b>20,065,000</b></u>
	<u>8,565,000</u>	<u>11,685,006</u>	<u>95,106</u>	<u>511,969</u>	<u>417,661</u>	<u><b>21,274,742</b></u>
<b>Depreciation and impairment</b>						
At 1 September 2021	328,168	2,090,561	—	501,866	404,297	<b>3,324,892</b>
Depreciation charge for the year	—	173,700	1,010	32,268	30,349	<b>237,327</b>
Impairment provision	—	518,300	—	—	—	<b>518,300</b>
On disposals	—	—	—	(139,263)	(72,801)	<b>(212,064)</b>
At 31 August 2022	<u>328,168</u>	<u>2,782,561</u>	<u>1,010</u>	<u>394,871</u>	<u>361,845</u>	<u><b>3,868,455</b></u>
<b>Net book values</b>						
At 31 August 2022	<u>8,236,832</u>	<u>8,902,445</u>	<u>94,096</u>	<u>117,098</u>	<u>55,816</u>	<u><b>17,406,287</b></u>
At 31 August 2021	<u>8,829,332</u>	<u>9,626,240</u>	<u>—</u>	<u>147,707</u>	<u>60,012</u>	<u><b>18,663,291</b></u>

### 13 Tangible fixed assets (continued)

As explained under principal accounting policies, freehold land and buildings are included in the accounts at their valuation as at 31 August 2014. This valuation has been deemed to be cost under the transitional arrangements set out in FRS 102 and will apply going forward with additions from 1 September 2014 or later accounted for at cost. The revaluations were part of a rolling programme that resulted in each property being revalued at least every five years. The reviews of the valuations were carried out every five years by Messrs Stanley Hicks, Chartered Surveyors, in accordance with guidelines set by the Royal Institution of Chartered Surveyors for accounts purposes in accordance with the Practice Statements and Guidance Notes set out in the eighth edition of the RICS Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (The Red Book). In the intervening years, the valuations were reviewed by the trustees for significant impairment and, if necessary, valuations were adjusted downwards.

The freehold land and buildings were acquired many years ago and precise figures for the historical cost of the properties are not available. However, it is known that the original purchase price on many of the properties was insignificant in today's terms.

Barclays Bank plc holds a legal charge over a property with a market value of approximately £1 million.

Subsequent to the year end the trustees have committed to purchase eight flats in Glasgow to house members of the Congregation at an estimated total cost of approximately £960,000.

#### ***Impairment***

An impairment provision is included within the accounts where there are indications that the net realisable value of a property is less than its net book value. Indications that may give rise to this conclusion include:

- ♦ The post year end sale of a property results in net proceeds materially below the net book value of the property at the year end date; and
- ♦ Advice from a selling agent indicates that the net proceeds from the disposal of a property may be materially below the net book value of a property for the foreseeable future.

In such cases an impairment provision is included in order to reduce the net book value of the relevant property to equate to its actual or estimated net sale proceeds.

As explained in note 5, one of the charity's freehold properties situated in Parbold, Lancashire has been marketed for sale. In preparing for the disposal during the year to 31 August 2020, indications were that the sale proceeds that might be achieved would be less than the net book value of the property then stated in the accounts. Consequently, an impairment provision of £490,000 was made in the accounts for the year to 31 August 2020 in order to reduce the net book value to the selling agent's guide price less anticipated costs of disposal. This sale did not proceed and the property is again under offer. Taking into account the offer and all associated potential costs the trustees believe that a further impairment provision of £518,300 is required.

#### 14 Listed investments

	2022 £	2021 £
<b>Listed investments</b>		
Market value at 1 September 2021	5,895,866	5,181,286
Additions at cost	377,451	165,181
Disposals at book value (see below)	(434,710)	(175,065)
Net unrealised investment (losses) gains	(168,115)	724,464
Market value at 31 August 2022	5,670,492	5,895,866
<b>Cash held by stockbrokers for re-investment</b>	<b>10,409</b>	<b>3,296</b>
	<b>5,680,901</b>	<b>5,899,162</b>
Cost of listed investments at 31 August 2022	3,424,250	3,363,843

Disposals at book value included above are made up of the following:

	2022 £	2021 £
Proceeds	401,396	188,057
Realised losses (gains)	33,314	(12,992)
	434,710	175,065

Listed investments held at 31 August 2022 comprised the following:

	2022 £	2021 £
UK fixed interest	295,145	297,815
UK equities	2,313,551	2,673,708
UK unit trusts	1,030,404	1,074,502
Overseas equities	1,796,736	1,573,242
Overseas unit trusts	234,656	276,598
	5,670,492	5,895,865

At 31 August 2022, listed investments included the following individual holdings deemed material when compared with the overall valuation of listed investments as at that date:

	Percentage %	Value £
Findlay Park American Fund	9.4	535,574
Polar Capital Technology Trust ordinary 25p	4.7	267,650
Caledonia Investments ordinary 5p	4.6	262,395

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

## 15 Programme related investments

Programme related investments include certain properties not used directly by the charity but which are used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. In some cases rents are received but in other cases no formal rental agreement is in place.

	2022 £	2021 £
At 1 September 2021	2,064,022	2,064,022
Lease amortisation	(16,667)	(16,667)
Capital grant released to offset amortisation (note 6)	16,667	16,667
At 31 August 2022	2,064,022	2,064,022

As explained under principal accounting policies, the above properties are included in the accounts at a valuation carried out initially in 1999. During 2012 the trustees carried out a review of these valuations in order to ascertain whether or not there has been any impairment to the values given the current economic climate, the nature of the properties and their locations. The review was carried out by the trustees but with professional assistance from their property advisers. Certain properties were found to be included in the accounts at a figure that was deemed to be in excess of their market value and as such, an impairment provision was included in the 2012 accounts.

In the past, the charity had received capital grants from the Department for Education in respect to the property disposed of in 2015. The trustees are of the opinion that such grants, where recovered from the disposal proceeds of the original property, have been reinvested in new buildings to be used for the provision of state education. As a consequence, they do not deem any such capital grants to be repayable at the current time. During the year ended 31 August 2013 an amount was eliminated from the grants repayable figure to reflect the amount not recovered from the disposal of the original property. In subsequent years, an amount equivalent to the amortisation of the leasehold property has been eliminated from grants repayable to offset the annual amortisation charge.

Programme related investments comprise:

	2022 £	2021 £
Voluntary aided schools	7,350,000	7,366,666
Less Grants received from Department for Education	(5,285,978)	(5,302,644)
	2,064,022	2,064,022

Further details in respect to the properties and their use are given below:

### ***Voluntary aided schools***

The Sisters of Notre Dame support the development and operation of three voluntary aided schools.

The school in Kirkdale, Liverpool is subject to a 30 year lease with the Council which commenced in September 2013. A premium of £500,000 was paid and rent of £81,170 per annum is payable. The charity, in turn, is renting the building to the school. As previously, no formal arrangement exists between the school and the charity for the occupation of the building. The school has undertaken to pay a rent to the charity of £81,170 per annum.

The land and buildings of the other two schools located in Woolton, Liverpool and Southwark, London are provided rent free.



**16 Debtors**

	2022 £	2021 £
Prepayments and accrued income	61,954	17,789
Legacies receivable	134,143	654,894
Miscellaneous debtors	39,809	24,099
	<b>235,906</b>	<b>696,782</b>

**17 Creditors: amounts falling due within one year**

	2022 £	2021 £
Monies administered by the charity on behalf of individual members of the Institute of the Sisters of Notre Dame De Namur British Province	545,555	570,470
Loan from the Generalate of the Institute of the Sisters of Notre Dame De Namur - Sisters of Notre Dame De Namur, Inc. (see below)	1,000,000	1,000,000
Expense and other creditors	170,696	129,703
Deposit received for sale of property	50,000	—
Amounts payable in respect to tangible fixed asset additions	5,746	140,244
Accruals and deferred income	30,049	30,352
Taxes and social security costs	20,472	20,382
	<b>1,822,518</b>	<b>1,891,151</b>

***Monies administered by the charity on behalf of individual members***

The monies administered by the charity on behalf of individual members of the Institute represent funds introduced by sisters. As they are repayable on demand they are included as creditors repayable within one year. However, they would be repaid only if a sister were to leave the Congregation or be paid out in accordance with her Will should she die. If a sister were to leave the Congregation, this would require a certain amount of planning. On the death of a sister, her estate would take time to be administered and settled. In both situations, therefore, the charity would have time to prepare for sufficient liquid funds to be made available. Therefore, although the charity has net current liabilities it is not foreseen that this will give rise to cash flow difficulties.

***Loan from the Generalate of the Institute of the Sisters of Notre Dame de Namur***

	2022 £	2021 £
Loan balance at 1 September 2021 and 31 August 2022	1,000,000	1,000,000

On 19 September 2019, the Sisters of Notre Dame De Namur British Province entered into an agreement with The Congregational Mission Office of the Sisters of Notre Dame De Namur, Inc., the Generalate of the Congregation of the Sisters of Notre Dame, whereby the Generalate will provide the charity with loan finance of up to £2,750,000. £1,000,000 was advanced to the charity during the year to 31 August 2020. No further advances have been made.

## 17 Creditors: amounts falling due within one year (continued)

### *Loan from the Generalate of the Institute of the Sisters of Notre Dame de Namur (continued)*

The amount advanced was to be repaid from the sale proceeds of one of the charity's properties. Should the net proceeds received from the sale of the property be insufficient to repay the amount advanced, the charity's trustees will work with the Congregational Leadership Team to renegotiate the plan for repayment.

Under the terms of the agreement the charity has agreed to provide detailed financial information to the Generalate on a regular basis and has agreed not to borrow any additional amounts from any third party without the express written approval of the Generalate, with the exception that the charity may use the agreed Barclays Bank overdraft facility of £250,000 while this is available. The charity will inform the Generalate if the bank overdraft exceeds £100,000.

The agreement does not require the payment of interest.

### *Post balance sheet event*

During the year the charity has been in negotiation with the Generalate regarding the funding of the future care needs of the elderly sisters. Subsequent to the year end it has been agreed that the Generalate will not require repayment of the loan and during the year to 31 August 2023 the loan is to be converted into a donation.

## 18 Restricted funds

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

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 2022 £
Sundry restricted funds	10,733	7,028	(8,278)	9,483

	At 1 September 2020 £	Income £	Expenditure £	At 31 August 2021 £
Sundry restricted funds	15,722	5,628	(10,617)	10,733

## 19 Tangible fixed assets fund

	2022 £	2021 £
At 1 September 2021	17,663,291	18,404,279
Net movement in year	(1,257,004)	(740,988)
At 31 August 2022	16,406,287	17,663,291

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets less the outstanding balance on the Congregational loan which is repayable on disposal of the charity's property.

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.

## 20 Programme related investment fund

	2022 £	2021 £
At 1 September 2021 and 31 August 2022	2,064,022	2,064,022

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 15, these investments comprise land and buildings owned by the charity but used by other charitable and not-for-profit organisations with objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

## 21 Designated funds

The income funds of the charity includes the following designated fund which has been set aside out of unrestricted funds for a specific purpose.

<b>Sisters' retirement fund</b>	2022 £	2021 £
At 1 September 2021	4,500,000	3,150,000
Designated during the year	250,000	1,350,000
At 31 August 2022	4,750,000	4,500,000

The sisters' retirement fund represents monies set aside by the charity's trustees to provide for the future costs of providing nursing care to elderly sisters who have dedicated their working lives to the charity.

**22 Analysis of net assets between funds**

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Sisters' retirement fund £	Restricted funds £	Total 2022 £
<b>Fund balances at 31 August 2022 are represented by:</b>						
Tangible fixed assets	—	17,406,287	—	—	—	17,406,287
Listed investments	930,901	—	—	4,750,000	—	5,680,901
Programme related investments	—	—	2,064,022	—	—	2,064,022
Net current (liabilities) assets	1,142,890	(1,000,000)	—	—	9,483	152,373
<b>Total net assets</b>	<b>2,073,791</b>	<b>16,406,287</b>	<b>2,064,022</b>	<b>4,750,000</b>	<b>9,483</b>	<b>25,303,583</b>

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Sisters' retirement fund £	Restricted funds £	Total 2021 £
<b>Fund balances at 31 August 2021 are represented by:</b>						
Tangible fixed assets	—	18,663,291	—	—	—	18,663,291
Listed investments	1,399,162	—	—	4,500,000	—	5,899,162
Programme related investments	—	—	2,064,022	—	—	2,064,022
Net current (liabilities) assets	738,206	(1,000,000)	—	—	10,733	(251,061)
<b>Total net assets</b>	<b>2,137,368</b>	<b>17,663,291</b>	<b>2,064,022</b>	<b>4,500,000</b>	<b>10,733</b>	<b>26,375,414</b>

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

	2022 £	2021 £
<b>Unrealised gains included above:</b>		
On listed investments	2,246,242	2,532,023
<b>Total unrealised gains at 31 August 2022</b>	<b>2,246,242</b>	<b>2,532,023</b>
<b>Reconciliation of movements in unrealised gains:</b>		
Unrealised gains at 1 September 2021	2,532,023	1,832,956
Add: In respect to disposals in year	(117,666)	(25,397)
Add: net (losses) gains arising on revaluation in the year	(168,115)	724,464
<b>Total unrealised gains at 31 August 2022</b>	<b>2,246,242</b>	<b>2,532,023</b>

**23 Department for Education grants and contingent liabilities**

The original costs of the properties used by the voluntary aided schools have been funded by capital grants from the Department for Education. The total grants received are shown in note 15.

In the event of the sale or disposal by other means, of any asset for which a capital grant was received, the charity shall if it does not reinvest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

## 24 Custodian funds

At 31 August 2022 the charity was holding £41,632 (2021 - £37,504) and £10,724 (2021 - £10,866) on behalf of the Generalate of the Congregation of the Sisters of Notre Dame and the Nigerian Province of the Congregation respectively. The movement on the funds held by the charity comprised monies received of £159,041 (2021 - £154,289) and monies paid of £155,055 (2021 - £148,086). These funds are not included in the accounts of the charity.

## 25 Related party transactions

The Congregation of the Sisters of Notre Dame de Namur is made up of all the sisters worldwide, including those of the British Province. The Congregational Leadership Team, or Generalate, is elected by and is accountable to the Congregation. The General Moderator, assisted by the rest of the Generalate, has the authority and the responsibility for the overall governance of the Congregation.

In the year to 31 August 2020 the Generalate of the Congregation made a loan of £1 million to the British Province. Details of this loan, movements thereon and the post year end decision to convert the loan into a donation are shown in note 17.

The charity owns the share capital of The Notre Dame Trustee Company Limited, a company incorporated in England and Wales. The Notre Dame Trustee Company Limited is also a trustee of the charity. The company has trust corporation status. Its main object is to act in the role of custodian trustee for the charity and as nominee of the charity in the holding of any trust assets and to do all such other things as are incidental or conducive to this main object. The trustee company holds as nominee the property and investments of the charity. The trustee company is otherwise dormant.

As members of the Congregation, none of the trustees have resources of their own, as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £35,394 (2021 - £60,421).

There are no other related party transactions requiring disclosure (2021 – none).

## 26 Commitments under operating leases

At 31 August 2022, the charity had future commitments under non-cancellable operating leases as follows:

	Equipment		Land and buildings	
	2022 £	2021 £	2022 £	2021 £
Amounts due within one year	3,234	4,648	—	5,349
Amounts due between two and five years	9,701	12,127	—	10,698
	12,935	16,775	—	16,047

**27 Ultimate control**

The charity, which is governed by a trust deed, was controlled throughout the period by the British Province of the Congregation of the Sisters of Notre Dame by virtue of the fact that the Provincial Moderator and the other members of the Provincial Team, are elected by the members of the Congregation. The Provincial Team are the trustees and the directors of the corporate trustee, The Notre Dame Trustee Company Limited. 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 Britain are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.