

**THE CONGREGATION OF THE FRANCISCAN SISTERS
(LITTLEHAMPTON)
CHARITABLE TRUST**

Registered Charity No. 232931

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2023**

**The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
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The Congregation of the Franciscan Sisters (Littlehampton) Charitable Trust

Reference and Administrative Information

Charity Registration Number:	232931
Address	The Generalate St. Joseph's Convent East Street Littlehampton West Sussex BN17 6AU
Reverend Mother General (Trustee)	Sister B. Bowers
General Council (Trustees)	Sister C. A. McLaughlin Sister E. Morris Sister C. B. Knowles Sister Promodini Ekka
Provincial Bursar	Ms Jane Sheppard
Auditors	Hodson & Co Wiston House 1 Wiston Avenue Worthing BN14 7QL
Solicitor	SBP Law Solicitors Glade House 52-54 Carter Lane London EC4V 5EL
Bankers	Lloyds Bank plc 1 Beach Road Littlehampton West Sussex BN17 5HY
Financial Advisors	Moore Kingston Smith Financial Advisers Ltd 105 St Peters Street St Albans Herts. AL1 3EJ
Investment Asset Managers	Quilter Cheviot 85 Queen Victoria Street London EC4V 4AB

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Report of the Trustees
For the year ended 31st March 2023

The trustees present their Report and the financial statements for the year ended 31st March 2023

Structure, Governance and Management

The Congregation of the Franciscan Sisters (Littlehampton) is an English Roman Catholic Religious Order, founded in 1911 in Littlehampton. The accounts accompanying this report are the accounts of the charitable trust on which the assets of the order are held. The trust is governed by a trust deed dated 13th December 1963 and is registered under the Charities Act 1993 - Charity Registration No. 232931.

Organisation

The trustees are appointed by the Finally Professed members of the Congregation during their 3 yearly Chapter. Term of Office runs from Chapter to Chapter. The trustees may be re-elected for a second term but not for longer than a third term. The Superior General is a Chairperson during her term of office. The current trustees were appointed at General Chapter meeting held in 2022 except as indicated and their names are set out in the fly sheet accompanying the report and accounts.

Senior Management Team and Pay policy for senior staff

The trustees consider the board of trustees are the senior management team as they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustees received remuneration from the charity in the year. Details of trustees' expenses and related party transactions are disclosed in the notes to the accounts.

Salaries of the senior employees are set by the Board of Trustees in line with sector pay levels and market rates.

Trustees' Responsibility Statement

Charity law requires the trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable trust and of the surplus or deficit for its financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue to function.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable trust and to enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Risks and Uncertainties

The Charity has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks we may face, prioritising them in terms of potential impact and likelihood of occurrence, and identifying the means of mitigating each potential risk. This is reviewed regularly by the trustees and where risks are identified, appropriate mitigations are put in place.

The main operational risks that the charity faces is loss of income through low levels of resident occupancy in the care homes and poor CQC ratings.

The main financial risk is from under-performing investment funds and the need to withdraw funds from the investment portfolio to supplement shortfalls in income from other sources.

The trustees believe that maintaining reserves at current levels, combined with the annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Objectives, Aims and Principal Activities

The charitable trust aims to support the religious and other charitable works carried on by the order and by the Roman Catholic Church and others. These works fall into the following three main areas:

1) Providing residential, social welfare and pastoral work

To care for the elderly, nursing the elderly, visiting families and elderly and frail in their own homes; visiting hospitals, organising group activities with young, and not so young, pastoral work in any area where there is a need or where there is a request for support.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Report of the Trustees
For the year ended 31st March 2023 (Continued)

1) Providing residential and social welfare and pastoral work (continued)

Operations of residential and care establishments

The sisters provide care and assistance at the following establishments:

UK Establishments

St. Joseph's Nursing Home

Old House/St. Clare's (Annexe to St. Joseph's)

St. Anne's Burgess Hill

St. Anthony's Convent, Bradford

Activities

Nursing care for 24 residents.

Support for relatives etc.

Residential Care Home for 19 residents.

The Bradford property was let to tenants, who initially covered the cost of insuring the building but the charity concerned ceased trading in December 2019. The property has been empty since that date. However we have two people who reside there once a week to comply with the building insurance requirements. We put the property on the market in December 2021 and had numerous viewings. We accepted an offer of £800,000 for this the property, with exchange of contracts and completion occurring in November 2023.

La Verna Novitiate House in Hollington

We had been leasing this property as a formation house. This ceased on 28th September 2022.

2) Missionary work and charitable donations

To carry out and support missionary work throughout the world through the activities of the sisters. To support Catholic and appropriate charities and charitable works through donation throughout the world where funds allow. eg coffee mornings for Haiti, Nigeria and refugees.

The sisters provide care and assistance at the following establishments:

St Mary of the Angels, Knock (Ireland)

Also at the related charity set up in India:

St. Francis Convent, Mysore, India

St Anthony's Convent, Belwadi India

FMSL Presence and accomodation for people who visit Knock

Also a spiritual outreach through an online Gospel sharing group.

House of Formation and service to local people including

in Education as teachers in local schools.

House of Formation and service to local people, including prison visiting, and in planning, help for children with learning disabilities.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Report of the Trustees
For the year ended 31st March 2023 (Continued)

3) Upkeep and support of the Congregation

To maintain, develop, care for and support the sisters and the Congregation, and maintain and subsidise apostolates and develop and support Sisters in Formation.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Achievements and Performance

1) Providing residential and social welfare and pastoral care

The Congregation continued to provide care and support through its establishments and through the sisters activities in the local communities. Occupancy levels were affected by the Covid pandemic (see below) at the residential care homes throughout the period. There was continued pressure on costs particularly utilities, food and staff costs requiring careful financial management.

Following the Covid pandemic and the period of lockdown, occupancy was slow to pick up so respite admissions helped breach the gap. A poor CQC Inspection rating for St Joseph's Nursing Home did not help matters and although there have been many enquiries few admissions followed. A further CQC Inspection could remedy that.

2) Missionary work and charitable donations

The Mysore Formation Community continues to benefit from the Congregation's support of their work and mission, just as the local community benefits from the Sisters' presence and simple lifestyles. We have had further building work completed in the Belwadi area to enable further apostolates.

In March 2023 a quarter acre plot of land in the Pala Diocese of Kerala was purchased by FMSL in India, no funds from the UK charity were used for this purpose. There is potential to build on the land in the future and provide a community of FMSL Sisters in an area with no Religious Congregation presence.

3) Upkeep and support of the Congregation

During the year the charity continued to support members of the congregation with their charitable and religious work. Assessment is made continuously on the viability of each house and its apostolate. Adaptation is always on the agenda.

Medical care continued to be provided for all the Sisters within our establishments.

Our properties that needed major refurbishment and maintenance were treated to an overhaul.

The number of Residents in each of our Care Homes means that we have to ensure that we have a reserve to meet the ever increasing bills in utilities, food and staff costs.

The trustees continue to monitor the overall financial performance of the trust, in association with advice from its financial and professional advisers. In particular, a more detailed and regular review of the monthly management reports is undertaken to measure performance against budget and to evaluate the cost effectiveness of the various operations of the trust.

Following the General Chapter in November 2022, a finance group was established to review all financial aspects of the Congregation.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Report of the Trustees
For the year ended 31st March 2023 (Continued)

Financial Review

The results for the year are shown on page 10. The income from residents has been maintained but operational expenditure increased due to inflationary pressures and had to be kept under careful control during the year. Donations were made to support the work of local charities and those related to the Congregation or its works. The charity sustained an unrealised loss of £1,192,658 on its investment assets in the year, which can be mainly attributable to worldwide inflation rises and high interest rates causing a reduction in equity and bond values.

During the year, the charity's surplus cash funds were invested in a mix of fixed interest and equities in order to get the best possible but safe return to meet the demands for the future, following advice from bank advisers and investment brokers. The funds invested are shown under investments on the balance sheet.

Reserves Policy and Financial Position

Designated funds have been set up by the trustees for specific purposes. Firstly, a property and equipment fund which represents the amount of the trust's money which is tied up in property and equipment used to support the residential care activities of the trust and religious activities of the sisters. Secondly, £4,000,000 is set aside to provide for the sisters' medical and retirement care. Future income has to cope with more of our Convents being dependent on Congregational resources. The Formation fund was set up to support continuous formation, both in the UK and overseas.

The remaining funds represent just under two years expenditure, which the trustees believe are sufficient and necessary to meet the trust's ongoing working capital needs as well as funds required to maintain the operational assets and a continuous service provision, particularly in relation to the provision to our vulnerable beneficiaries should there be an unexpected down turn in income, and funds to provide for the rising costs of employing paid staff.

The trustees recognise the need to continue to build up future reserves, because at present all the Sisters who hold positions of responsibility in trust's Care Homes or who give a service whatever, do so on a voluntary unpaid capacity. In the longer term the Trust will have to employ staff to take over these roles and there will be a need for cash to meet such appointments.

Once the Mandates from the General Chapter have been investigated in 2023-2024 the Trustees will be in a better position to review the viability of the two care homes and look at the financial sustainability for the entire Congregation.

Investment Policy

The trustees have adopted a prudent and ethical approach to investment and invested in fixed interest stock or equities on the advice received from Cheviots Investment Asset Managers, who manage the stock under their investment management service on a referral basis. The trustees regularly monitor and review the investments and take advice as appropriate. In the current financial year Mr William Reid has taken over as our Investment Asset Manager, so under his guidance we will be reviewing the whole portfolio with a view to better returns on our investments.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Report of the Trustees
For the year ended 31st March 2023 (Continued)

Recruitment and appointment of trustees

Appointment of trustees is governed by the Trust Deed of the charity. The Trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee according to the Trust Deed.

The Trustees are elected every three years by the Finally Professed Sisters of the Congregation.

During the preparations for the elections the Sisters are reminded of the Role and Responsibilities of a Trustee.

As a Board of Trustees we follow the guidance of the Charity Commission on the Role and Responsibilities of Trustees.

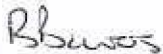
Induction and training of trustees

All trustees are already familiar with the practical work of the charity. If new trustees were to be appointed, short training sessions would be undertaken to familiarise new trustees with the charity and the context within which it operates.

Plans for the Future

The Congregation plans to continue to provide residential and welfare services and pastoral care through its homes and communities. The sale or letting of other properties will be considered on the basis of the availability of members to occupy these properties and their financial viability.

By Order of the Trustees



Sister B Bowers

Date: 10.01.2024

Independent Auditors' Report to the Trustees of The Congregation of the Franciscan Sisters (Littlehampton) Charitable Trust

Opinion

We have audited the financial statements of The Congregation of the Franciscan Sisters (Littlehampton) Limited ('the charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of s144 of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

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

Independent Auditors' Report to the Trustees of The Congregation of the Franciscan Sisters (Littlehampton) Charitable Trust (Continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities 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.

- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Independent Auditors' Report to the Trustees of The Congregation of the Franciscan Sisters (Littlehampton) Charitable Trust (Continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Charities Act 2011. Our audit work has been undertaken so that we might state to the 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Hodson & Co
Statutory Auditor
Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

15/01/2024

**The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust**

**Statement of Financial Activities
For the year ended 31st March 2023**

	Note	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income			
Voluntary income:			
Donations and legacies		88,642	14,713
Activities in furtherance of the charity's objects:			
Fees and charges for residential and care services		1,791,088	1,678,806
Sisters' salaries and pensions		116,402	108,700
Government Covid-19 grants		0	55,852
Investment income		218,827	170,924
Sundry income		20,751	28,721
Profit on disposal of fixed assets		8,600	1,002,638
Total Income		<u>2,244,310</u>	<u>3,060,354</u>
Expenditure			
<i>Raising Funds</i>			
Investment management fees		43,592	65,552
<i>Charitable expenditure</i>	2		
Costs of activities in furtherance of the Trust's objects:			
Cost of providing residential and care services		2,109,256	2,006,465
Missionary work and charitable donations:		13,745	11,648
Upkeep of Congregation		230,704	183,219
Total Expenditure		<u>2,397,297</u>	<u>2,266,884</u>
Net Income/(Expenditure) before gains/(losses) on investments		-152,987	793,470
Net gains on investment assets	5	<u>(1,192,658)</u>	<u>-28,164</u>
Net (expenditure)/income		-1,345,645	765,306
Fund balance brought forward		<u>11,944,019</u>	<u>11,178,713</u>
Fund balance carried forward	8	<u>10,598,374</u>	<u>11,944,019</u>

All disclosures relate only to continuing operations.

There are no recognised gains for losses other than the net income for the year.

All incoming resources and expended resources in the current and previous year, came from unrestricted funds.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Balance Sheet as at 31st March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible assets	4		2,937,554		3,036,122
Investments	5		<u>7,540,195</u>		<u>8,845,005</u>
			10,477,749		11,881,127
Current Assets					
Debtors	6	121,205		49,396	
Cash at bank and in hand		<u>95,856</u>		<u>121,292</u>	
		217,061		170,688	
Creditors: Amounts falling due within one year					
Accruals	7	<u>(96,436)</u>		<u>(107,796)</u>	
Net Current Assets			<u>120,625</u>		<u>62,892</u>
Total Assets less Current Liabilities			<u><u>10,598,374</u></u>		<u><u>11,944,019</u></u>
Unrestricted Funds and Reserves	8				
Property and Equipment fund			2,937,554		3,036,122
Medical and Retirement provision			4,000,000		4,000,000
Formations fund			400,000		400,000
Accumulated fund			<u>3,260,820</u>		<u>4,507,897</u>
			<u><u>10,598,374</u></u>		<u><u>11,944,019</u></u>

Approved by the Council on 10.01.2024

B. Bowers

Sister B. Bowers
Trustee

**The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust**

**Cash Flow Statement
For the year ended 31st March 2023**

	2023	2023	2022	2022
	£	£	£	£
Cashflows from Operating Activities				
Net cash provided by/(used in) Operating Activities		(341,108)		(270,380)
Cashflows from Investing Activities				
Interest received	218,827		170,924	
Purchase of tangible fixed assets	(23,908)		(46,631)	
Disposal of fixed assets	8,600		1,008,894	
Disposal of investments	1,314,097		2,120,024	
Purchase of investments	<u>(1,720,496)</u>		<u>(2,438,057)</u>	
Net Cash provided by/(used in) Investing Activities		<u>(202,880)</u>		<u>815,154</u>
Net Cash provided/(used) in the year		<u><u>(543,988)</u></u>		<u><u>544,774</u></u>
Increase/(Decrease) in Cash and Cash Equivalents		<u><u>(543,988)</u></u>		<u><u>544,774</u></u>

The Congregation of the Franciscan Sisters (Littlehampton) Charitable Trust

Notes to the Financial Statements For the year ended 31st March 2023

1 Accounting Policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

The Congregation of the Franciscan Sisters is a charitable trust. The charity's principal address is St Joseph's Convent, East Street, Littlehampton, West Sussex, BN17 6AU. The registered charity number is 232931.

Basis of preparation

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The presentation currency of these financial statements is Sterling (£). All amounts in these financial statements have been rounded to the nearest pound unless stated otherwise.

Liabilities and provisions

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

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

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

Going concern

The Trustees consider that it is appropriate to draw up the charity's accounts on a Going Concern basis because of its substantial cash resources, and investments with continuing income streams from charitable activities and its control over its costs. Its financial position is subject to regular review by the Trustees.

Income

Income represents fees, legacies and donations and other amounts receivable.

Expenditure

All expenditure is accounted for gross, and when incurred.

Charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimate of time or floor space basis, as appropriate. It includes support costs.

Cost of generating funds represent the investment management fees charge for managing the charity's investment portfolio.

Governance costs comprise those costs associated with the meeting the constitutional and statutory requirements of the charity and are now included within support costs.

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Notes to the Financial Statements
For the year ended 31st March 2023 (Continued)

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Cost of fixed assets prior to 1997 was estimated based on depreciated current use value. The proportion of land and buildings disposed off is based on an estimate of the proportion of the total estate disposed off as there are no records identifying the original split.

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See note 6 for the debtor note.

**The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust**

**Notes to the Financial Statements
For the year ended 31st March 2023 (Continued)**

2 Analysis of Total Resources - 2023	Staff & agency Costs £	Depreciation £	Other costs including Support costs £	Total 2023 £	Total 2022 £
Cost of generating funds			43,592	43,592	65,552
Activities in furtherance of objects	1,246,125	122,476	985,104	2,353,705	2,201,332
	<u>1,246,125</u>	<u>122,476</u>	<u>1,028,696</u>	<u>2,397,297</u>	<u>2,266,884</u>

Analysis of Total Resources - 2022	Staff & agency Costs £	Depreciation £	Other costs including Support costs £	Total 2022 £
Cost of generating funds			65,552	65,552
Activities in furtherance of objects	1,188,627	126,283	886,422	2,201,332
	<u>1,188,627</u>	<u>126,283</u>	<u>951,974</u>	<u>2,266,884</u>

Governance costs included in support cost	2023 £	2022 £
Audit fee	7000	5750
Staff costs include the following:		
Wages and salaries	1,160,649	1,104,132
Social security costs	67,307	67,942
Pension costs	18,169	16,553
	<u>1,246,125</u>	<u>1,188,627</u>
Average number of persons employed during the year was	<u>75</u>	<u>72</u>

The trustees who are also the senior management team received no remuneration during the year.
The trustees were reimbursed for reasonable travel costs incurred in performance of their duties.
No employees emoluments were in excess of £60,000.

3 Net income/expenditure is stated after charging/crediting:	2023	2022
Depreciation	<u>122,476</u>	<u>126,283</u>

**The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust**

**Notes to the Financial Statements
For the year ended 31st March 2023 (Continued)**

4 Tangible Fixed Assets

	Land and Buildings	Furniture, Fittings and Equipment	Motor Vehicle	Total
Cost or Valuation	£	£	£	£
At 1st April 2022	3,963,087	1,226,658	252,565	5,442,310
Additions at cost/valuation		10,908	13,000	23,908
Disposals			(15,423)	(15,423)
At 31st March 2023	3,963,087	1,237,566	250,142	5,450,795
Depreciation				
At 1st April 2022	1,157,259	1,033,948	214,981	2,406,188
Charge for the year	66,182	39,710	16,584	122,476
Disposals			(15,423)	(15,423)
At 31st March 2023	1,223,441	1,073,658	216,142	2,513,241
Net Book Value				
At 31st March 2023	2,739,646	163,908	34,000	2,937,554
At 31st March 2022	2,805,828	192,710	37,584	3,036,122

5 Fixed Asset Investments

	2023	2022
Market value: Listed investments	£	£
At 1st April 2022		
Additions	7,970,615	7,680,746
Disposals proceeds	1,720,496	2,438,057
Net gains/(losses)	(1,314,097)	(2,120,024)
	(1,192,658)	(28,164)
Cash at Brokers	7,184,356	7,970,615
	355,839	874,390
At 31st March 2023	7,540,195	8,845,005
Analysis of listed investments		
UK	3,745,652	4,639,695
Overseas	3,794,544	3,480,613
	7,540,196	7,970,615
Historic Cost	6,970,530	6,183,220

All investments are held primarily to provide an investment return for the charity.

6 Debtors

	2023	2022
Trade debtors	£	£
Prepayments and accrued income	60,667	26,873
	60,538	22,523
	121,205	49,396

7 Creditors

	2023	2022
Other creditors and accruals	£	£
	82,406	107,796

The Congregation of the Franciscan Sisters (Littlehampton)
Charitable Trust
Notes to the Financial Statements
For the year ended 31st March 2023 (Continued)

8 Unrestricted Funds and Reserves	Property and Equipment Fund	Medical and Retirement Fund	Formations Funds	Accumulated Fund	Total Funds
	£	£	£	£	£
Balance at 1st April 2022	3,036,122	4,000,000	400,000	4,507,897	11,944,019
Net incoming resources & transfers	(98,568)			(1,247,077)	(1,345,645)
Balance at 31st March 2023	2,937,554	4,000,000	400,000	3,260,820	10,598,374

The property and equipment fund is a sum apportioned at the discretion of the trustees to reflect the amount of the charity's money tied up in fixed assets and so not freely spendable.

The medical and retirement care fund is a sum apportioned at the discretion of the trustees for the medical care and retirement care of members of the Congregation. This was utilised throughout the year and the balance topped to the level expected to be required for the future care of the Sisters in their old age. It will be continue to be utilised over the remaining lives of the elderly sisters when needed.

The Formation fund is a sum aside at the discretion of the trustees to provide funds for formation both in the UK and throughout the world, particularly India. The Fund is also apportioned at the discretion of the trustees to support the activities of our Sisters and the needs of the people in India.

9 Reconciliation of Net Income/(Expenditure to net Cash Inflow/(Outflow) from Operating Activities	2023	2022
	£	£
Net income/ (expenditure) before gains	(152,987)	793,470
Interest receivable	(218,827)	(170,924)
Depreciation	113,876	(876,356)
(Increase)/Decrease in debtors	(71,809)	1,390
Increase/(Decrease) in creditors	(11,360)	(17,960)
	(341,107)	(270,380)

10 Analysis of Changes in Cash and Cash Equivalents during the Year	2023	2022
	£	£
Balance at 1st April 2022	995,683	450,909
Net cash inflow/(outflow)	(543,988)	544,774
Balance at 31st March 2023	451,695	995,683

Summary of Cash and Cash Equivalents

Cash at bank	95,856	121,293
Cash at brokers	355,839	874,390
	451,695	995,683

11 Related Parties

As a religious community any income received by the members is received into the charity, including salaries and pensions. The charity provides housing and subsistence to its members including trustees. Each member receives an income for their office together with living accommodation, living expenses and reimbursement of costs. This expenditure is shown under 'support costs'.

At the balance sheet date the amount due to/from The Religious Community was £Nil (2022 - £Nil).