

Charity Registration No. 233084

**RELIGIOUS OF THE ASSUMPTION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

RELIGIOUS OF THE ASSUMPTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sr Patricia Mitchell Sr Maureen Connor Sr Catherine Jones Sr Jessica Gatty Sr Catherine Cowley Sr Anne Thielen
Charlty number	233084
Principial address	20 Kensington Square London W8 5HH
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Royal Bank of Scotland plc 62 - 63 Threadneedle Street London EC2R 8LA
Solicitors	Russell-Cooke 2 Putney Hill London SW15 6AB
Investment advisors	Quilter Chevlot Ltd Senator House 85 Queen Victoria Street London EC4V 4AB Epworth Investment Management Ltd 9 Bonhill Street London EC2A 4PE

RELIGIOUS OF THE ASSUMPTION

CONTENTS

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Statement of financial position	14
Statement of cash flows	15
Notes to the financial statements	16 - 28

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Introduction

The Congregation of the Religious of the Assumption is an international Roman Catholic Order with 1,100 members worldwide organised into 15 Provinces. It was founded in France in 1839, where the Generalate is still located. As described in the Report of 2019, the English Province amalgamated with the Provinces of Italy and Northern Europe to form a new Province of Europe, under a common Provincial and with an international Provincial Council. England is now, therefore, a "territory" of the Province of Europe.

The accounts accompanying this report are the accounts of the Charitable Trust in which the assets of the English Territory are held.

Objectives and activities

Education has been the mission of the Congregation since its foundation in 1839. The General chapter of 2006 re-affirmed that the transformation of society was advanced through our work of education. Transformative education recognises the unique value of each person and helps them reach their full potential; it engages with issues of justice, peace and the integrity of creation, as will be shown in what follows. As the age profile of the Sisters suggests, only a very few are employed in salaried educational posts, but many of those above the age of retirement continue to engage creatively in the voluntary sector.

Fundraising standards information

The charity does not actively fundraise and does not hold any agreements with professional fundraisers or commercial participators.

Public benefit statement

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees consider that the activities outlined herein satisfy the public benefit requirements.

Achievements and performance

In recent years our policy has been to set up separate organisations to work on different aspects of our mission. They have a certain amount of autonomy but final responsibility for them rests with the Trustees of the Territory.

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Assumption Youth Team were able to renew their outreach work in person once lockdown ended. Following government guidelines, the team organized monthly 'mini-retreats' at Milleret House and were welcomed by the Assumptionist Fathers to their priory in East London for the day. These events helped to ease young adults back into society and provided them with a space to gather in prayer and fellowship. The retreats included mass, input from guest speakers, personal reflection time, sharing in groups and creative activities. The opportunity to reconnect in person was greatly appreciated by those who attended. We were encouraged by a good number of participants, both existing members of our network and many new members, some of whom shared how lockdown had made them more aware of their need for spirituality and support in their faith journey.



One of the participants wrote: *"I enjoyed the mass and getting to know the other attendees over lunch. The talks were amazing, and I enjoyed the reflection time. The most beautiful part was lighting the candles to commemorate our loved ones who had passed away - the day ended beautifully."*



Assumption Volunteers saw a total of seven volunteers in the UK, coming from Russia, the Philippines, the U.S, Mexico, and Namibia. Five committed to a year in Newcastle-Upon-Tyne and two short term volunteers joined the program after completing their master's degrees. With the easing of covid restrictions, Kids Kabin resumed its activities and projects in the centre and in local schools, as well as outdoor activities. The volunteers' hard work was recognized by the staff and by the children who struggled at home during lockdown; the 'wild' camping trips away from home were a huge success. As well as their work in Kids Kabin, the volunteers have also been able to explore the UK and attend pilgrimages and retreats during their free time.



One volunteer, who is currently working in Newcastle wrote: *"My expectations have been blown away. I have thoroughly enjoyed working with the kids of Newcastle and have already been able to create bonds with them and feel their appreciation and love for what we do. Additionally, I have met so many amazing friends from different cultures and backgrounds and listening to their perspectives on life and the world around us has helped me grow as a person more in one month than I ever could have anticipated. Moreover, I am incredibly happy that I decided to take this leap of faith and feel so fortunate to have been accepted into this incredible community of volunteers."*



RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Duchess of Leeds Assumption Fund (Reg. No 529620) was set up to give small grants to young women aged 16-25 who live in the North of England. Social distancing and travel restrictions put in place through much of the first half of 2021 meant that trips to Lourdes and other pilgrimage destinations were either cancelled or postponed for a second year. The Trustees worked with the Management Committee to find alternative ways to distribute funds and continue to promote the education of young women under the age of 25 who reside in the Roman Catholic Dioceses of Hexham and Newcastle, Middlesbrough, and Leeds. At their May meeting (online), the Management Committee made the following 3 grants:

1. **Ozanam Camps Holy Island, Saint Vincent de Paul Society:** The grant was spent on some of the equipment that SVP needed to host summer camps, including duvets, kitchen equipment, crafting material and games.
2. **Prayer garden, St John Fisher Catholic Voluntary Academy, Dewsbury:** The school created a prayer garden accessible from the school chapel. Plans included landscaping trees, memorial benches, Stations of the Cross, statues, and a Grotto to provide a prayerful area year-round. The school set up a steering committee with girls from their SVP, Faith in Action and Holy Rosary Groups to help with design, research, and project coordination.
3. **Bursaries, Walking With:** Walking With is starting a bursary scheme to help young women who are refugees or asylum seekers to enroll in formal education (college and university) by funding associated costs.



RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Assumption Legacy Fund is a linked charity (No. 233084-1) whose income and expenses are included as a restricted fund in these financial statements. Its object is to continue the territory's mission of education by making grants supporting educational charitable projects for the public benefit in the U.K. in particular for the advancement of education that is imbued with the Roman Catholic faith and for the advancement of the Roman Catholic religion. The priorities for 2021 were:

1. The education of disadvantaged children and young people
2. Formation in and support of shared leadership within Roman Catholic schools and sixth form colleges
3. Lay people working in or alongside the Roman Catholic church, particularly youth workers and those engaged in transformative education in the tradition of the Assumption

The Assumption Legacy Fund (ALF) worked with 15 organisations in 2021, with most of the work happening virtually. The management committee made donations to 6 new projects, in addition to the other 9 ongoing grants. One of ALF's new recipients is Castlerigg Manor in the Diocese of Lancaster. Funding from ALF will enable Castlerigg to expand its outreach efforts to complement its residential work at Castlerigg Manor. The Youth Service will now be better able to reach young people who have no connection to the Church and those who cannot afford to attend a residential retreat. ALF also made an important contribution to the Catholic Education Service, enabling them to respond to the need for a high-quality process to evaluate all Catholic schools by part-funding the training of inspectors for the new Catholic Schools Inspectorate. The Centre for Catholic Education, Research and Religious Literacy at St Mary's University received funding for the Laudato Si champions project, a participatory learning initiative designed to include young people into sustainability strategy and policy making at school, diocesan, and national levels, based in Salford Diocese.

ALF continues to support a range of other activities, including a character mentoring programme in schools delivered by Citywise in Manchester and Glasgow; the salary of a Youth Worker in Mary, Mother of God parish in Bradford; core support for the Catholic Children's Society to offer Rainbow Bereavement Counselling training and resources to primary schools; support for a survivor of human trafficking to study for a degree, and an applied research project at St Mary's University with the Centre for Research into the Education of Marginalised Children and Young Adults. One of the first projects that ALF funded is First Star Academy at St Mary's University. First Star places small groups of young people who are in care on university campuses to inspire them to get into further or higher education. St Mary's was the first university in the UK to trial the programme, and their dedication is now coming to fruition.

All our work is carried out in and from the following communities:

Kensington.

This community comprises five Sisters plus the Provincial when she is in England. Kensington is the centre for Territorial administration, and the base for the Territory's Youth Office and Volunteer Office. These provide retreats, pilgrimages and opportunities for social engagement for young adults (see above). The resident community of Sisters offer hospitality to their members from overseas who come for courses and educational opportunities. There are also a number of Provincial meetings held here, involving Sisters from the other Territories in the Province. The spirituality centre based in Milleret House offers day courses and retreats as well as giving hospitality to other Christian groups. The work there and elsewhere with young adults seeking to deepen their spirituality continues to expand and is meeting the needs of an increasing number of individuals.

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

St. Catherine's House.

A community for the frail and very elderly of the territory, where they can receive the extra care they need. There are currently 11 Sisters in the community, six of whom have been diagnosed with dementia and the Care Staff have worked tirelessly to involve them in meaningful activities.

In the summer there are barbecues in the garden and outings to the nearby parks. These are illustrated in a series of booklets which the Sisters can show to their families and friends. The structure of daily prayer is a joyful expression of their religious consecration and their way of supporting the mission of the Congregation, even though several find it increasingly difficult to follow a written text. But hard though it was, as none of the sisters caught Covid-19, we consider ourselves very lucky. This, of course, was due to the selfless dedication of our staff, carers, cleaners and caterers alike.

Wanstead.

There are 5 sisters living in Wanstead, East London. They are an international community with 5 nationalities, English, American, Danish, Vietnamese and Scottish. They provide pastoral ministry in the local parish of Our Lady of Lourdes and are actively involved in outreach to lonely, elderly people, also Spiritual Direction and retreat work. One sister is an assistant chaplain for the Vietnamese Community in Bow. She is also on the Territory Youth Team.

Thanks to Zoom and WhatsApp the pastoral ministries were able to continue, although in a different form, and we have made new friends and got to know our neighbours better.

Being aware of the lonely and housebound who do not have internet access, we kept in touch by telephone, arranged home deliveries and when we did any baking, we would share this with them. In response to the Hospital Maternity Unit, we knitted small blankets for premature babies. They also provide volunteer gardening for those in need.

Twickenham.

In 2021 the community in Twickenham continued its mission of being a prayerful presence in St Mary's University as well as contributing in a variety of ways to its Catholic and academic life. During the summer the small hostel was able to offer space to the Horizon Summer school, an initiative of the Bakhita Centre for trafficked women; it was the first time this had happened and was very successful. From the beginning of the academic year the hostel was occupied either by university students studying education or with the Bakhita Centre, or young working women who had special reasons for being there. One room was kept for temporary needs and was often in use. The university campus began to return to something more normal but remained a long way from pre-Covid times, this affected our interaction with the chaplaincy and student life which in some ways lost momentum. In September we became a community of formation with an additional sister in temporary vows studying at the Bakhita Centre.

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Newcastle upon Tyne.

The sisters are a community of 4 living in a poor area of East Newcastle in Council accommodation. Living next door, also in council accommodation are young volunteers from abroad serving in Kids Kabin, an after-school centre for creative activities for children between the ages of 8 – 13 who live in the area. The centre was founded by the Assumption 25 years ago. Our volunteers this year, recruited through the Assumption, are from America, Philippines and Russia.

Two Sisters volunteer with "Walking With", a centre caring for and supporting asylum seekers and refugees. All the Sisters are involved in serving the local parish with communion to the sick, home visits, catechetical programmes etc. The community is open to welcoming Sisters from abroad to experience Northern culture and the beauty of the area of Northumberland.

Things have obviously changed since Covid-19 and lockdowns. Concerning the volunteers, two Americans returned home just before lockdown. Two Filipinos have stayed and are in their second year as they were unable to return home. One of them was in West Newcastle but for the second year came to Hexham Avenue to work in Kids Kabin. We received a volunteer from Russia last November so continue to support the three of them in their work and celebrate with them on several occasions.

Work in the parish had to stop but will hopefully resume in the not-too-distant future. One sister is still involved with the asylum and refugee centre "Walking With" in a more distanced capacity. We four sisters are all in our eighties, care for our house and garden and each other according to our various capacities.

Communication

Our website (www.assumptionreligious.org) and social media presence attracts many visitors. We are particularly pleased that young people find out about us and join our events through our website and social media. We are currently working to establish a new website which will incorporate the mission of the Religious of the Assumption in the five countries of the Province of Europe.

Both our external and internal communication have increased thanks to the production of two publications. The newsletters share about (1) Justice, Peace and Integrity of Creation (twice yearly), and (2) The Life and Ministry of Assumption Sisters in England (with three editions per year).

Investment performance

The gain in the value of the investments during the year was £3,502,000 (2020: £718,000). The value of the investments at the year end was £47,682,000 (2020: £44,910,000). See note 12 to the accounts.

The investments which consist primarily of equities, investment funds and fixed income securities, are selected on the advice of the investment managers.

The trustees are satisfied with the performance of the investments and with the advice received from the investment managers.

Financial review

Income for the year amounted to £1,109,000 (2020: £2,337,000). Included in the 2020 results was £1,263,000 of interest relating to delayed claw back payments from the sale of Heythrop College. Expenditure for the year amounted to £2,885,000 (2020: £2,546,000). After taking account of the investment gains the net increase in resources for the year was £1,726,000 (2020: £509,000) resulting in a fund balance at the year end of £63,424,000 (2020: £61,698,000).

Reserves policy

Included in the balance sheet are restricted funds which comprises of the Assumption Legacy Fund. There are also designated funds which comprise amounts which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

The remaining funds are kept on the general unrestricted fund as the charity has no endowment fund.

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Investment Policy

The charity's investment powers are prescribed under the terms of the trust deed. The trustees are permitted to invest in trustee investments in the form of Government and Local Authority securities, and the shares and fixed interest securities of public companies, investment, financial or unit trusts.

The charity's investment policy is set by the trustees and the investments are divided in roughly equal proportions and managed by Quilter Cheviot Limited and Epworth Investment Management Limited.

Our investment choices seek to be a practical implementation of the social consequences of the Gospel. We do this through our ethical investment policy and by positive choices, as well as negative exclusions, in our asset allocation. The investment managers are instructed to optimise the return on the investments over the medium term within these parameters.

Risk management

The trustees have assessed the major areas to which the charity is exposed. These include:

- Financial
- Maintenance of buildings
- Health and Safety
- Employment Law
- Reputation
- Maintenance of records and documents

The trustees believe that having assessed the major risks to which the Charity is exposed, they have established effective systems to mitigate those risks.

The trustees have a policy for the Safeguarding of Children, Young People and Vulnerable Adults. The trustees recognise the necessity of ensuring the protection and safety of all those the Charity serves. This means that every Sister who is engaged in any kind of ministry obtains clearance from the Disclosure and Barring Service. The trustees are committed to implementing all policies and procedures of the National Catholic Safeguarding Commission, formerly the Catholic Office for the Protection of Children.

Plans for the future

The financial markets are continuing to suffer a lot of turbulence reflecting the fears engendered by the Covid-19 pandemic. The trustees are monitoring the situation carefully and conclude that despite changes in income, they can safely continue with the projects and commitments in grant funding they have already made for 2021.

Structure, governance and management

The assets of the Province are held by the trustees of the Congregation of the Religious of the Assumption. The trust is governed by a trust deed dated 6th February 1963, and is registered with the Charity Commission No. 233084. The deed was amended under a scheme dated 3rd June 1980, and in the matter of the Charities Act was varied by a scheme dated 23rd June 1996. In October 2008 the Charity Commission authorised a Scheme dated October 10th to: i) amend the objects of the charity to clarify that the charity's funds be applied anywhere in the world; ii) amend the definition of 'superior'; iii) change the provisions in the constitution relating to the number of trustees so that there must now be between three and twelve trustees in office.

The deed was further amended by a scheme dated 24th September 2020 and a Resolution of the Trustees under section 280 of the Charities Act 2011, further amending the definition of "Superior" and clarifying how the assets of the Trust should be distributed should the Trust cease to exist.

RELIGIOUS OF THE ASSUMPTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are appointed by the Provincial Superior and her Council from among the Sisters in the Territory. In November 2020, the trustee board was extended to include Sr Anne Thielen, a Belgian sister who holds the position of Provincial Bursar. Since all trustees are members of the Congregation, they have a detailed knowledge of the charity and of its structure and are appointed for their experience in the affairs of the Province.

The trustees who served during the year were:

Sr Patricia Mitchell
Sr Maureen Connor
Sr Catherine Jones
Sr Jessica Gatty
Sr Marie-Sophie d'Oultremont (Resigned 1 October 2021)
Sr Catherine Cowley
Sr Anne Thielen

The Province of Europe is administered by the Provincial Superior and her Council (4 Sisters), the Provincial Bursar and the local superiors. Sr Maureen Connor is the Territorial Bursar and Chair of the trustees. The trustees work closely with its appointed groups, such as the Finance Team, the Management Committees of St. Catherine's community and the Assumption Lay Volunteer Programme, all of which include lay advisers.

The English territory comprises 30 Sisters, who live in five communities; four in London and one in Newcastle upon Tyne. At the end of 2021, the average age of the Sisters was 83.

Signed on behalf of the trustees:

P. Mitchell
.....
Sr Patricia Mitchell
Trustee

M. Connor
.....
Sr Maureen Connor
Trustee

Dated: 14th June 2022

RELIGIOUS OF THE ASSUMPTION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

RELIGIOUS OF THE ASSUMPTION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF RELIGIOUS OF THE ASSUMPTION

Opinion

We have audited the financial statements of Religious of the Assumption (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual 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 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.

RELIGIOUS OF THE ASSUMPTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RELIGIOUS OF THE ASSUMPTION

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The 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, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those that relate to the reporting framework being the 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 (FRS102), the charity's governing document, and the Charities Act 2011.
- We understood how the charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating income recognition and expenditure on charitable activities as fraud risks. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the charity. We tested specific transactions, reconciling to underlying investment records which were obtained externally from verified investment management entities. We tested specific grants made to grant applications ensuring the grant was in accordance with the charity's charitable objectives.

RELIGIOUS OF THE ASSUMPTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RELIGIOUS OF THE ASSUMPTION

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- The charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

Citroen Wells

20 June 2022

**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RELIGIOUS OF THE ASSUMPTION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total 2020 £000
Notes							
<u>Income and endowments from:</u>							
Property and associated income		29	-	29	13	-	13
Legacies and donations		13	-	13	9	-	9
Sisters' salaries and pensions		274	-	274	268	-	268
Investment income	2	792	1	793	744	36	780
Other Income	3	-	-	-	1,267	-	1,267
Total income and endowments		1,108	1	1,109	2,301	36	2,337
<u>Expenditure on:</u>							
Investment management costs	4	243	-	243	101	-	101
Charitable activities - Territorial expenses	5	2,125	517	2,642	2,146	299	2,445
Total expenditure		2,368	517	2,885	2,247	299	2,546
Net gains on investments	10	3,502	-	3,502	718	-	718
Net movement in funds		2,242	(516)	1,726	772	(263)	509
Fund balances at 1 January 2021		55,006	6,692	61,698	54,234	6,955	61,189
Fund balances at 31 December 2021		57,248	6,176	63,424	55,006	6,692	61,698

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

All income and expenditure derive from continuing activities.

RELIGIOUS OF THE ASSUMPTION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Property, plant and equipment	11	9,933	10,002
Investments	12	47,682	44,910
		<u>57,615</u>	<u>54,912</u>
Current assets			
Trade and other receivables	13	47	147
Cash at bank and in hand		6,283	6,848
		<u>6,330</u>	<u>6,995</u>
Current liabilities	14	(343)	(164)
Net current assets		<u>5,987</u>	<u>6,831</u>
Total assets less current liabilities		<u>63,602</u>	<u>61,743</u>
Non-current liabilities	15	(178)	(45)
Net assets		<u>63,424</u>	<u>61,698</u>
Income funds			
Restricted funds	16	6,176	6,692
Unrestricted funds			
Designated funds	18	29,127	30,293
General unrestricted funds		28,121	24,713
		<u>57,248</u>	<u>55,006</u>
		<u>63,424</u>	<u>61,698</u>

The financial statements were approved by the Trustees on 10th May 2022

P. Mitchell
Sr Patricia Mitchell
Trustee

M. Connor
Sr Maureen Connor
Trustee

RELIGIOUS OF THE ASSUMPTION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Cash absorbed by operations	21	(2,088)	(1,293)
Investing activities			
Purchase of property, plant and equipment		-	(32)
Proceeds on disposal of property, plant and equipment		-	17
Purchase of investments		(2,210)	(15,596)
Proceeds on disposal of investments		2,940	15,135
Investment income received		793	780
Net cash generated from investing activities		1,523	304
Net decrease in cash and cash equivalents		(565)	(989)
Cash and cash equivalents at beginning of year		6,848	7,837
Cash and cash equivalents at end of year		6,283	6,848

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity Information

The Religious of the Assumption is a charitable trust established by deed on 6th February 1963. The principal address is 20 Kensington Square, London W8 5HH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to include investments at fair value. The principal accounting policies adopted are set out below.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. Restricted funds comprise of unexpended donations and grants from the Assumption Legacy Fund, a linked charity established in 2018.

1.3 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.5 Property, plant and equipment

With the exception of freehold property, property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold Land and buildings	over the period of the lease
Fixtures, fittings & equipment	10% per annum reducing balance
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Investment properties

Certain of the charity's properties are held for long-term investment. Investment properties are accounted for as follows:-

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value, as determined by the trustees. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

Financial assets classified as other financial assets are stated at market value with any gains or losses arising on remeasurement recognised as income or expenditure. The net gain or loss is recognised in the statement of financial activities includes any dividend or interest earned on the financial asset.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The charity contributes to a defined contribution scheme for the Sisters and certain employees. The costs are included in the Statement of Financial Activities as Incurred.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.12 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the Statement of Financial Activities.

1.13 Associated charities

The charity controls the activities of the Duchess of Leeds Assumption Fund (Reg. No 529620). The results of which have been excluded from these accounts on the basis that the amounts are immaterial.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Investment Income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £000	2021 £000	2021 £000	2020 £000	2020 £000	2020 £000
Income from listed investments	790	-	790	696	-	696
Interest receivable	2	1	3	48	36	84
	<u>792</u>	<u>1</u>	<u>793</u>	<u>744</u>	<u>36</u>	<u>780</u>

3 Other Income

	2021 £000	2020 £000
Income due on disposal of property	-	4
Loan interest	-	1,263
	<u>-</u>	<u>1,267</u>

4 Investment management costs

	2021 £000	2020 £000
Investment management	<u>243</u>	<u>101</u>

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities - Territorial expenses

	2021 £000	2020 £000
Staff costs	803	827
Depreciation and impairment	70	70
Territory and communities expenses	1,093	1,106
	<u>1,966</u>	<u>2,003</u>
Grant funding of activities (see note 6)	676	442
	<u>2,642</u>	<u>2,445</u>
Analysis by fund		
Unrestricted funds	2,125	2,146
Restricted funds	517	299
	<u>2,642</u>	<u>2,445</u>

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Grants payable

	2021 £000	2020 £000
<u>From unrestricted funds:</u>		
Grants to institutions:		
Kids Kabin in Newcastle	15	15
Duchess of Leeds Assumption Fund	15	15
Mother House	29	32
Refugee support	36	40
Other	64	41
	<u>159</u>	<u>143</u>
<u>From the Assumption Legacy Fund:</u>		
Pallion Action Group	15	-
Formatio	-	50
St Mary's Modern Slavery	-	22
St Mary's Aquinas Centre	48	-
St Mary's Bakhita Centre	121	-
Ecological Conversion Group	10	19
Celebrate	38	-
Pax Christi	60	-
Chailey Heritage Foundation	-	29
Castlerigg	86	-
Catholic Education Service	100	-
Kenelm Youth Trust	-	20
Citywise	-	60
Rise Theatre	-	20
Catholic Children's Society	55	20
Diocese of Hexham	-	50
Other	(16)	9
	<u>517</u>	<u>299</u>
	<u>676</u>	<u>442</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

The trustees are considered the key management personnel of the charity.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £000	2020 £000
Fees payable to the auditor for the audit of the annual accounts	25	25

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Nursing and administrative staff	20	20

Employment costs

	2021 £000	2020 £000
Wages and salaries	714	736
Social security costs	70	71
Other pension costs	19	20
	803	827

There were no employees whose annual remuneration was more than £60,000.

10 Net gains on Investments

	Unrestricted funds	Unrestricted funds
	2021 £000	2020 £000
Revaluation of listed investments	3,502	718

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Property, plant and equipment

	Freehold Land and buildings	Leasehold Land and buildings	Fixtures, Motor vehicles fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 January 2021	9,258	1,086	317	10,733
At 31 December 2021	9,258	1,086	317	10,733
Depreciation and impairment				
At 1 January 2021	-	432	252	731
Depreciation charged in the year	-	54	6	69
At 31 December 2021	-	486	258	800
Carrying amount				
At 31 December 2021	9,258	600	59	9,933
At 31 December 2020	9,258	654	65	10,002

All these assets are deployed for Religious and Charitable work.

12 Fixed asset investments

	Total investments £000
Cost or valuation	
At 1 January 2021	44,910
Additions	2,210
Valuation changes	3,502
Disposals	(2,940)
At 31 December 2021	47,682
Carrying amount	
At 31 December 2021	47,682
At 31 December 2020	44,910

Investments included above:	2021 £000	2020 £000
Listed investments carrying amount	39,354	35,624
Investment properties	114	114
Cash held within investment portfolio	8,214	9,172

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Trade and other receivables

	2021 £000	2020 £000
Amounts falling due within one year:		
Other receivables	9	20
Prepayments and accrued income	38	84
	<u>47</u>	<u>104</u>
	2021 £000	2020 £000
Amounts falling due after more than one year:		
Other receivables	-	43
	<u>-</u>	<u>43</u>
Total debtors	<u>47</u>	<u>147</u>

14 Current liabilities

	2021 £000	2020 £000
Grants payable by the Assumption Legacy Fund	157	106
Other payables	34	3
Accruals	152	55
	<u>343</u>	<u>164</u>

15 Non-current liabilities

	2021 £000	2020 £000
Grants payable by the Assumption Legacy Fund	178	45
	<u>178</u>	<u>45</u>

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£000	£000	£000	£000	£000	£000	£000
Assumption Legacy Fund	6,955	36	(299)	6,692	1	(517)	6,176
	<u>6,955</u>	<u>36</u>	<u>(299)</u>	<u>6,692</u>	<u>1</u>	<u>(517)</u>	<u>6,176</u>

The restricted fund is in relation to a linked charity established in 2018.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Fund balances at 31 December 2021 are represented by:						
Property, plant and equipment	9,933	-	9,933	10,002	-	10,002
Investments	47,682	-	47,682	44,910	-	44,910
Current assets/ (liabilities)	(189)	6,176	5,987	139	6,692	6,831
Long term liabilities	(178)	-	(178)	(45)	-	(45)
	<u>57,248</u>	<u>6,176</u>	<u>63,424</u>	<u>55,006</u>	<u>6,692</u>	<u>61,698</u>

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Designated funds

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

	Movement in funds					Balance at 31 December 2021 £000
	Balance at 1 January 2020 £000	Incoming resources £000	Utilised £000	Balance at 1 January 2021 £000	Utilised £000	
Property Improvement and maintenance	2,743	-	(14)	2,729	-	2,729
Functional fixed assets	9,345	32	(30)	9,347	(14)	9,333
Youth work	376	-	(66)	310	(102)	208
Retirement	18,855	-	(948)	17,907	(1,050)	16,857
	<u>31,319</u>	<u>32</u>	<u>(1,058)</u>	<u>30,293</u>	<u>(1,166)</u>	<u>29,127</u>

The Property improvement and maintenance fund is to provide for the future upkeep of the properties.

The Functional fixed assets fund represents the fixed assets the charity uses to carry out its charitable objectives.

The Youth Work fund is to provide funds for the work carried out by the charity in respect of young people.

The Retirement fund is to provide for the care of the Sisters in retirement.

Following the year end, the Trustees designated a portion of the unrestricted funds as follows:

- Property improvement and maintenance: £3,000,000 towards the cost of refurbishing the charity's fixed asset, Milleret House;
- Functional fixed assets: no change;
- Youth work: £2,000,000;
- Retirement: £10,000,000.

In addition, the Trustees have decided to introduce a new designated fund for Climate Adaptation and designate £2,000,000 of the unrestricted funds towards this new designated fund.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Operating lease commitments

At the 31 December 2021 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£000	£000
Within one year	140	140
Between two and five years	560	560
In over five years	822	962
	<u>1,522</u>	<u>1,662</u>

20 Related party transactions

Transactions with related parties

The trustees of the Charity are all members of a Religious Order and as such have taken vows of poverty under which they renounce all rights to personal income and assets. They are therefore entirely dependent on the Charity for all their living expenses. The trustees do not receive any payments or benefits for carrying out their duties other than their living expenses which are met by the Charity and which they receive in their capacity as members of the Religious Order.

During the year a donation of £15,000 (2020: £15,000) was made to the Duchess of Leeds Assumption fund, a charity which the Trustees, Sr Maureen Connor, Sr Patricia Mitchell, Sr Catherine Cowley, Sr Jessica Gatty, Sr Catherine Jones and Sr Anne Thielen are also Trustees.

RELIGIOUS OF THE ASSUMPTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21	Cash generated from operations	2021 £000	2020 £000
	Surplus for the year	1,726	509
	Adjustments for:		
	Investment income recognised in statement of financial activities	(793)	(780)
	Gain on disposal of property, plant and equipment	-	(4)
	Fair value gains and losses on investments	(3,502)	(718)
	Depreciation and impairment of property, plant and equipment	70	70
	Movements in working capital:		
	Decrease/(increase) in trade and other receivables	100	(104)
	Increase/(decrease) in trade and other payables	311	(266)
	Cash absorbed by operations	<u>(2,088)</u>	<u>(1,293)</u>