

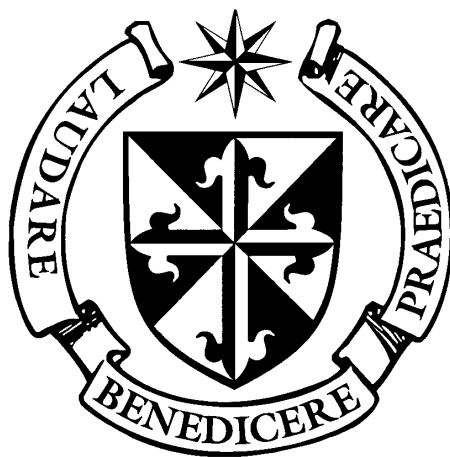
**DOMINICAN SISTERS (THIRD ORDER)
CONGREGATION OF NEWCASTLE NATAL**

Established at Bushey Heath, Hertfordshire

(Registered number 233236)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2022



DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
(Registered Number 233236)
ANNUAL REPORT
31 DECEMBER 2022

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Saint Dominic Founder of the Order of Preachers
(1170 – 1221)

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE, OFFICERS AND PROFESSIONAL ADVISORS

TRUSTEE OF THE CHARITY

Saint Rose of Lima Association Limited, the Directors and Officers of which are the Congregation Prioress and Congregation Council members of the Sisters of the Dominican Congregation of Saint Catherine of Siena of Newcastle Natal, as below:

CONGREGATION PRIORESS AND DIRECTOR OF THE TRUSTEE

M. F. Cunningham (Sister Felicity OP) to 19 March 2023
A. B. Cunningham (Sister Ann OP) from 19 March 2023

CONGREGATION COUNCILLORS AND DIRECTORS OF THE TRUSTEE

M. C. Tuohy (Sister Maria OP), Congregation Vicaress & Sister Bursar
K. E. d'Artois (Sister Karen Marguerite OP), Congregation Secretary
E. Airey (Sister Eileen OP) to 19 March 2023
C McGarry (Sister Christina OP) from 19 March 2023

SISTER BURSAR

M. Tuohy (Sister Maria OP)

GENERAL BURSAR

P. M. Kelly FIA Retired

FINANCE MANAGER

R. D. Bolton FCA

ADDRESS

Rosary Priory
93 Elstree Road
Bushey Heath
Bushey WD23 4EE

Telephone: 020 8950 6065

Website: www.dominicansisters.co.uk

CHARITY REGISTRATION NUMBER

233236

JURISDICTION OF REGISTRATION

England and Wales

AUDITORS

BDO LLP
55 Baker Street, London W1U 7EU

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

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

McGrath LLP
22 Chancery Lane
London WC2 1LS

BANKERS

Royal Bank of Scotland plc
London Drummonds Branch, 49 Charing Cross, London SW1A 2DX

INVESTMENT MANAGERS

Rathbone Investment Management Limited
8 Finsbury Circus, London EC2M 7AZ

CUSTODIAN TRUSTEES

Bank of New York Mellon and Rathbone Nominees Limited

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The Trustee of the Charity is Saint Rose of Lima Association Limited, the Members, Directors and Officers of which are the Congregation Prioress and Congregation Council members of the Sisters of the Dominican Congregation of Saint Catherine of Siena of Newcastle Natal. Saint Rose of Lima Association Limited is a company limited by guarantee. It was registered as a company on 15 March 1974. Its governing documents comprise the Memorandum and Articles of Association. In the event of being wound up, the members may be required to contribute an amount not exceeding £1 each.

The Directors of the Trustee present the Trustee's Report and the audited financial statements of the Dominican Sisters (Third Order) Congregation of Newcastle Natal for the year ended 31 December 2022. The Charity encompasses the European (UK and Rome) activities of the religious congregation titled Sisters of the Dominican Congregation of Saint Catherine of Siena of Newcastle, Natal. Sisters of the Charity (40 at 31 December 2022; 40 at 31 December 2021) ministered in England and Italy. Other Sisters of the religious Congregation (28 professed at 31 December 2022; 33 at 31 December 2021) minister in South Africa including eight (2021: six) ministering in seven (2021: five) not for profit entities but the Charity has no financial interest in their operation. The constitutions of the four remaining South African schools established by the Congregation provide for two Sisters or their appointees to be represented on the respective Boards of Governance; currently four (2021: four) South African Sisters fill these roles. The Dominican convents of the Congregation in South Africa are canonically dependent on this Congregation and supported by grants as necessary for charitable work, though not part of this Charity, and these financial statements include this support but do not include their activities. Further information on the basis of accounting is set out in Note 1 to the Financial Statements.

The accounts accompanying this report are the accounts of the charitable trust on which the assets in Europe of the Congregation are held. They include all the Charity's activities in Europe and follow the Charities SORP and the Charities Act 2011.

Our Aims: The objective of the Charity is the advancement of the Roman Catholic Religion and the support of any associated charitable work for the time being carried on through the Trustee with the approval of the Congregation Prioress. This includes maintenance of convents supporting the objective and the upkeep of members of the congregation.

Original Mission: The ultimate aim and purpose of the Catholic Church and therefore of the Congregation is 'the salvation of souls' (cf. CIC 1752). In furtherance of this goal our aims stem from the original mission of Mother Rose Niland who in 1896 founded the Sisters of Saint Catherine of Siena, within the Dominican tradition, in Newcastle, South Africa. Like so many active congregations founded at the time, Mother Rose set out to meet the urgent social need for education among the indigenous and colonial population. These early pioneers were women of great faith and courage who took enormous risks and suffered considerable hardships. Part of their legacy was fine schools, four of which still exist. Among those pioneers there was an urgency and zeal to evangelise as well as to educate. In this they were faithful to the Dominican motto: To give to others the fruits of our contemplation. Similarly, in today's world we aim to provide effective preaching, teaching and pastoral care flowing from religious communities of prayer and study. Through the work of the Sisters we seek to awaken and deepen faith, hope and charity, to the benefit of those to whom we minister, to their families and to the wider community.

As Dominican Sisters we find inspiration in the following quotation from the Basic Constitution:

To perfect our love of God and neighbour in the following of Christ, by religious profession we are enrolled in the Order of Preachers, completely consecrated to God in a new way, dedicated to the whole Church, and totally engaged in spreading the Word of God.
(Basic Constitution of the Order of Preachers, Para III)

Geographical location and operation of the Charity

The Charity operates in the following countries: United Kingdom and Italy.

Governance, structure and management

Governance

The terms of the Charity Governance Code have been considered. The Code was refreshed at the end of 2020, the changes focussing on 'integrity' and 'equality, diversity and inclusion'. The Trustee believes the

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Charity meets the principles of the good governance code. In the Charity's particular circumstances, there are not role descriptions defining responsibilities for all Directors of the Trustee: each is collectively and individually responsible. Directors of the Trustee are appointed by the General Chapter meeting (see page 4 below) and are drawn from the Sisters of the religious congregation.

The Congregation is canonically affiliated to the Order of Preachers, a religious order of the Catholic Church. The Order of Preachers was founded by St. Dominic in the thirteenth century for the purpose of preaching, teaching and pastoral work in collaboration with bishops. Members of the Order are often known as 'Dominicans' after their founder.

As part of the Catholic Church, the Order of Preachers (and our Congregation) is bound by the Church's Canon Law, especially as contained in the 1983 Codex Iuris Canonici (Code of Canon Law, 'CIC'), and to the legitimate precepts of the Holy See and the Roman Pontiff.

In addition to the above mentioned norms, the Congregation has its own canonical governing documents, the Constitutions and Directory, which are compliant with Canon Law. These govern the life of the Sisters which is founded on the evangelical counsels of poverty, chastity and obedience to which they bind themselves by vow, and is characterised by prayer, study, community life and ministry.

In terms of civil law, the Charity is formally established by a Trust Deed dated 20 January 1953 as varied by the provisions of a Scheme sealed on 4 May 1995 and is a registered charity – Charity Registration No. 233236. The Trustee of the Charity is Saint Rose of Lima Association Limited and is an English company which is limited by guarantee. It acts through its four Directors and Officers who are the Congregation Prioress and her Council. As such, they have detailed knowledge of the work of the Charity and its structure. New Directors on being appointed are required to familiarise themselves with the responsibilities of being a trustee, and on the Charity's position.

The names of the Directors and Officers who served during the year or were subsequently appointed following the 2022 General Chapter (see below) are set out in the reference and administrative details on page 1 of this report and accounts. Brief pen portraits of each of the Directors of the Trustee for 2022 and to date are set out below:

During 2022 and down to 19 March 2023:

Sister Felicity Cunningham was elected Congregation Prioress in December 2016 and appointed Director of the Charity on 28 April 2017. Prior to her election, she was Region Prioress in South Africa. After some years in the teaching profession, she spent several years in parish ministry and a number of years in formation ministry.

Sister Eileen Airey was elected Councillor in December 2016 and appointed Director of the Charity on 28 April 2017. She was teaching at secondary level for eleven years and was also head of religious education for three years in this period. In 1993 she was elected to the Congregation Council, returning from Argentina, and worked in team ministry in several parishes in the Stevenage area. In 2000 she returned to mission work in Argentina for three years, returning again in 2006 for another two years. In between she was a parish sister in Harpenden and, from 2009, in Aberdare, Wales. In 2011, she went to South Africa as formator of the young Sisters in training and was involved in retreat work until 2017.

During 2022 and continuing:

Sister Maria Tuohy was elected Councillor in December 2016, re-elected in December 2022 and appointed Director of the Charity on 28 April 2017. She was teaching in secondary education for many years and subsequently engaged in administration of the Charity. She was previously Councillor and a Director of the Charity from 1982 to 1993.

Sister Karen Marguerite d'Artois was elected Councillor in December 2016, re-elected in December 2022 and appointed Director of the Charity on 28 April 2017. She has worked in university chaplaincy and faith formation for children and adults and trained in formation ministry. With a strong background in administration, she is also currently Co-ordinator of the Niland Conference Centre run by the Charity.

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From 19 March 2023:

Sister Ann Cunningham was elected Congregation Prioress in December 2022 and appointed Director of the Charity on 19 March 2023. Prior to her election she was engaged in areas of formation ministry, spiritual direction, grief-share ministry, and retreat work. She was previously Congregation Prioress from 2004 to 2016, a Director of the Charity from 2005 to 2017, prior to that was Region Prioress in South Africa and before that had some years in the teaching profession.

Sister Christina McGarry was elected Councillor in December 2022 and appointed Director of the Charity on 19 March 2023. She was in South Africa for 29 years, studying and then teaching in secondary schools and also engaged in parish ministry. She returned to England in 1994 and taught in one of our schools. During this time she studied Sign Language doing stage 1 and stage 2 exams. From 1999 to 2002 she was pastoral worker for the Deaf in the Clifton diocese. From 2002 to 2014 she was in Rome running our guest house there. Since returning to England she has been involved in parish ministry and volunteering in a homeless centre and foodbank.

Background to these appointments:

The Congregation Prioress and her Council are elected every six years at a General Chapter Meeting of the Congregation, the most recent being in December 2022. The General Chapter, composed of elected and ex-officio members, elects the Congregation Prioress and her Congregation Councillors on the basis of their personal qualities, their understanding and experience of the ministries of Sisters and to provide a useful mix of skills. Following their election to Congregation Council, these Sisters are appointed Directors of the Trustee and are responsible for the organisation of the Charity and the administration of its assets. It is their duty to ensure that the activities undertaken are for the advancement of the objects of the Charity. Decisions are taken by the Congregation Prioress and her Council ('The Committee') as the Directors of the Trustee.

The Congregation Prioress visits all the convents and houses of the Congregation either personally or by delegate at least every three years. The purpose of the visitation is that she may endeavour to examine and assess the quality of community and apostolic life and that she may come to know the Sisters better by giving them an opportunity to make known their needs and their opinions about the life, apostolate and administration of the community. Systems of accountability mean that the Congregation Prioress and her Councillors are aware of and able to assist with the progress and development of the ministries carried out by the Sisters.

Bursars and Local Communities

The Sister Bursar, Sister Maria Tuohy, is responsible for supervising financial and property matters and attending and reporting on these at meetings of the Directors of the Trustee. She is assisted by the General Bursar and the Finance Manager, both being lay staff.

Each local community is governed by an elected Prioress or appointed Leader.

House Bursars are responsible for financial aspects of local communities. A number of Sisters have been granted budgets for the expenditure they incur in the course of their ministries and report monthly on their use of this facility.

Remuneration of Directors of the Trustee

While the Directors of the Trustee have been maintained in accordance with the Charity's duty to provide for the Sisters, they have received no remuneration whether in the course of their duties or otherwise. Any income paid to them in the course of their work has been given to the Charity.

Remuneration of Key Management Personnel

Initial remuneration levels of key management personnel were established by surveying comparative rates and negotiation with the individuals. Historically, when there were a significant number of other employees, subsequent annual reviews of pay applied the same change as applied to them. Now, reviews are informed by data from the Bank of England agents' survey of real wage growth or the Office of National Statistics as available.

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Risk Management

In line with the requirement for the Trustee to undertake a risk assessment exercise and report on the same in this report, the Directors of the Trustee keep under review the major risks to which the Charity is exposed. They have identified the following main areas where risks may occur, acknowledging the inevitable overlaps:

OPERATIONAL

- ◆ The Charity's Work
- ◆ Governance and Management
- ◆ Lifelong Safeguarding
- ◆ Data Protection
- ◆ Information/Cyber Security

FINANCIAL

- ◆ Investments
- ◆ Fraud

REPUTATIONAL INCLUDING SOCIAL MEDIA

- ◆ Mistakes and misjudgements

REGULATORY

- ◆ Compliance with law including Charity regulation, Employment and Health & Safety

OPERATIONAL

The Charity's Work: considers the activity of the Charity which is primarily the advancement of the Roman Catholic Religion and associated charitable work. Factors considered include that this may require to be reinterpreted in the circumstance that Sisters are ageing and few new members are joining. The Directors of the Trustee monitor this aspect.

Governance and Management: considers the efficacy of the trustee body. Risks considered are of a trustee body which lacked sufficient skills, commitment and appropriate decision-making procedures. Such risks could include a lack of training of Sisters and staff and/or poor stewardship of resources – human, financial and property. The Directors of the Trustee monitor this aspect and engage in appropriate courses and training.

Lifelong Safeguarding: Child and adults at risk policies and procedures are in place both in relation to ministry engagement of Sisters and in relation to our own adults at risk. In its compliance with the One Church Approach, the Trustee is committed to implement the policies and procedures emerging from the adoption of the Elliott Review (November 2020) by the Catholic Bishops Conference of England and Wales and the Conference of Religious of England and Wales, viz., contracting with the Catholic Safeguarding Standards Agency following its launch in June 2021, and availing of the service-provision of the Religious Life Safeguarding Services, also launched in June 2021. The Trustee also subscribes to the National Tribunal Service. The Directors of the Trustee have appointed an employee to monitor and advise on this aspect and themselves engage in training.

Data Protection: seeks to guard against potentially damaging threats to our and others' data, whether internal or external, deliberate or accidental. The Directors of the Trustee have appointed an employee to monitor and advise on this aspect.

Information/Cyber Security: seeks to guard against potentially damaging threats to our operations through wrongful removal of information in whatever form or hacking of systems and communications. The Directors of the Trustee seek to spread knowledge of such activities and encourage continual awareness of this risk area and its continual evolution.

FINANCIAL

Investments: The Charity's principal assets comprise listed investments, the value of and income from which, are dependent on movements in UK and world markets. A substantial long-term loss of value of these investments would threaten the long-term financial viability of the Charity, and any significant reduction in investment income could require sale of some investments to raise cash in the short term. To mitigate this, the investments are managed by reputable investment managers who adhere to the policy agreed by the Directors of the Trustee and themselves have strict internal protocols. The performance of investments and

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our investment strategy are reviewed regularly by the Directors of the Trustee so that the investments remain appropriate to the Charity's needs (see further on page 13).

Fraud: seeks to guard against the potential risk to the Charity from fraud or financial irregularity, which could include unauthorised expenditure, inappropriate investment policies, cyber-attacks and unreliable accounting. The Directors of the Trustee have established appropriate separation of roles and authority levels for those dealing with the Charity's assets, including the requirement for a second authorised signature for all but insignificant payments.

REPUTATIONAL

Social Media: seeks to guard against the inappropriate use of social media and potential danger to our reputation through such use. The Directors of the Trustee have established a policy for this aspect which is disseminated amongst personnel, and for the spreading of knowledge of such activities and encouraging continual awareness of this risk area and its continual evolution.

Mistakes and misjudgements – see above *Social Media, Data Protection and Information/Cyber Security*

REGULATORY

Compliance with civil law including Charity regulation, Employment and Health & Safety -

Charity regulation: The Directors of the Trustee and others involved take advantage of the courses offered by a variety of legal, investment and professional bodies including the Association of Provincial Bursars, the Charity Finance Group and Civil Society.

Operational detail: seeks to guard against the possibility of danger to the health, safety and well-being of those with whom we come in contact, of employees and of Sisters; and against the potential risk that the property and buildings of the Charity could suffer alienation or damage or may not be appropriately adapted for use by the physically or mentally challenged. The Directors of the Trustee arrange for specialist advice to be retained in this area, and for appropriate insurance cover.

As indicated above, having identified the major risks to which the Charity is exposed, the Directors of the Trustee have established systems and procedures to mitigate those risks as far as reasonably possible. All policies are updated regularly to maintain good practice.

Realising the Charity's Objective

The Directors of the Trustee have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Advancement of the Roman Catholic Religion for Public Benefit, the Charity's main objective, is realised in the following ways:

- 1 Worship and Prayer Life
- 2 Education
- 3 Caring, Pastoral and Social Ministries
- 4 Collaboration
- 5 Use of Houses of the Charity
- 6 Lay Associates

Covid-19 and consequent lock downs continued to seriously limit our public-facing activities at the start of 2022 after the real difficulties in 2021. Much of 2022 continued to be a socially distanced time but our Sisters responded by engaging in Zoom meetings, speaking with people on the telephone and praying for all in need of support. 2022 was still barely a normal time for us but we hope that operations in 2023 will be more 'business as usual'. The operation of our activities in normal times is considered in more detail below together with some ongoing endeavours:

1. Worship and Prayer Life

The daily celebration of the Liturgy, the prayer of the people of God – the Eucharist and the Prayer of the Church – is one of the principal elements in our Dominican Life. Members of the Congregation are given the opportunity for private prayer, ongoing formation, study of the Scriptures, and days of recollection. In each

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of our houses, Sisters invite people from the wider community to join us in prayer. Our preaching mission can only emerge out of a life rooted in prayer and praise. When we leave the liturgy, we are being missioned back to the world, to 'give to others the fruits of our contemplation'. Sisters are open to receiving and listening to people seeking spiritual guidance and help.

In normal times the place of prayer, silence and retreat at Cricklewood, is valued by its users. Prior to Covid-19 the beautiful Poustinia (a place of prayer) has been well used and open to anyone wishing to have a 'place apart'. In addition, Sisters are available to offer a listening ear and to give spiritual guidance and direction. With the easing of lockdown restrictions, access to the gardens and Chapel has been restored, with stringent Covid-19 protocols in place, and the facilities have been increasingly used. In the latter months of 2022, reflection days and evenings and various other spiritual events were reinstated.

In normal times all houses welcome parish groups for study and discussion and Sisters support prayer- and Gospel-sharing groups. These groups, meeting regularly, give the public an opportunity to escape the stresses of everyday life for a short time and enable quiet contemplation and reflection. Post Covid-19, many of these groups which had continued on Zoom increasingly returned to in-person encounters.

In normal times at the Niland Conference Centre, Sisters offer courses for Adult Faith Formation, Formation for Parish Ministry and School Leadership, as well as workshops, retreats and days of reflection for all who are interested. These days are opportunities to reflect on the interaction of the spiritual, social and cultural realms. The onset of the Covid-19 pandemic hastened the end of most of these events, largely as a consequence of the ageing and diminishment of Sisters. The initial shift to Zoom simply could not be sustained. This is under continual review..

Throughout the extensive months of pandemic, the most fundamental aspect of Sisters' lives has had an even higher prominence: prayer and liturgy. As individuals and Communities, Sisters have devoted themselves wholeheartedly to praying for individual needs as well as the needs of the whole world and, in particular, for an end to the pandemic and other continuing threats to health, the war in Ukraine and other restrictions and threats to the propagation of the Gospel. Thus, the most immeasurable aspect of our contribution to society and public benefit has seen the greatest impetus and growth throughout the whole of 2020 to 2022, and continuing to date.

2. Education

The Charity has been engaged in the ministry of education since its foundation. Education remains a cornerstone of our ministry as Dominican women and is regarded as an essential agent in evangelisation. One of the areas of focus in this regard is Adult Formation at the Niland Conference Centre. One sister is Co-ordinator of the Niland Conference Centre and, supported by Sister team members, in normal times the Dominican charism of preaching the Gospel remains at the heart of all the activities and events hosted at the Niland Conference Centre.

One Sister was engaged as a full-time Learning Support Assistant in one of the secondary schools founded by the Congregation.

Two Sisters serve as Foundation Governors of local schools, both with a Dominican ethos.

Other Sisters have been engaged (subject to appropriate restrictions) at the Pontifical University of St Thomas (Angelicum) in Rome:

- as Dean of the Faculty of Social Sciences, Project Director of the formation programme "CREATE: Catholic social thought Rome Exchange: Advanced Training Experience", and of the formation programme STRONG for migrants, Senior Advisor to "Blueprint for Better Business", a London-based charity which aims to create a better society by means of better business practices, Consultor to the Dicastery for Promoting Integral Human Development, teaching courses: "Catholic Social Teaching"; "History of Christian Social thought"; "Management and the Common Good", and running seminars: "Peace and War"; in August 2020 Sister was appointed Ordinary Academician of the Pontifical Academy of Social Sciences (PASS) and was appointed to the Council of PASS in 2022; and
- as Vice Secretary General assisting and mentoring students who are writing their Doctoral Theses; Spiritual Adviser for the Angelicum Dominican English speaking Lay Fraternity; Financial Aid Officer for international students.

In normal times other Sisters are engaged:

- in supporting and working with schools and parishes, through running in-service training days for

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- staff and catechists who themselves are involved in promoting the Catholic faith;
- in children's catechesis and sacramental preparation in a local parish;
- in supporting the local parish priest and ministry to a university chaplaincy;
- in providing theological education for adults in a local parish; and
- in providing retreats for staff and pupils of Catholic schools and parishes. Some of these retreats take place in their schools and parishes and others at the Niland Conference Centre.

3. Caring, Pastoral and Social Ministries

In normal times, a number of our Sisters are engaged in parish ministries. These include:

- being active in catechetics and promoting social justice;
- assisting in the training of catechists;
- being volunteer chaplains at hospitals;
- arranging retreat days for groups in local parishes; and
- organising and running days of reflection and retreats throughout the Church's liturgical year.

In fulfilling their individual ministries Sisters aim to carry out various forms of social and pastoral work. Through this work, the Charity attempts to reach out to those in need and aims to benefit a significant number of people.

Some examples of the work of individual Sisters in 2021 and 2022 are given below by way of illustration:

- A number of Sisters are involved in ministry as pastoral workers. Their ministry takes them into areas of need amongst the poor, the elderly and infirm (some of whom are in their own homes, others in nursing homes). Sisters visit them regularly and offer help where they can. Often these people long for their visits when they find someone who is prepared to listen and help. In both areas of poverty and areas where the aged are living, the Sister may be the only other human face they see for days on end. Sisters are also involved in Parishes where they reach out to the poor and needy through religious education and social support.
- Several Sisters assist at local food banks and/or organisations that provide meals for the homeless.
- To draw attention to the needs in society, Sisters lobby and participate with others in an effort to bring change for the good of society. Sisters have been active in drawing attention to the challenges and risks of climate change, issues which affect the whole world.

The Charity enables and supports individual members of the Congregation in ministry and outreach work thereby furthering the message set out in the Gospel. While these active and outside ministries were seriously curtailed by the pandemic, Sisters continued to reach out to individuals and remain in contact with the organisations with whom they collaborate in ordinary circumstances. Indeed, because of an even greater awareness of the isolation faced by so many through the pandemic, Sisters have made an even more conscious effort to keep in touch with individuals who are in need of a listening, understanding ear. This work continues in the currently freer circumstances.

4. Collaboration with Religious and Other Organisations in the Church

Such collaboration in recent years, in 2022 to a degree hampered by Covid, includes:

- hosting days of renewal, reflection and prayer to which all religious and parishes are invited;
- working with Anglican and Baptist Churches in offering pastoral care and a listening ear;
- assisting in the office of Blackfriars Hall in Oxford which is the studium of the English Province of the Dominican Order;
- the ongoing involvement of the Congregation Prioress in UISG (International Union of Superiors General) which keeps the Charity updated on global needs and concerns;
- through the Congregation Prioress, representing the Charity at COR (Conference of Religious of England and Wales), being fully involved in Dominican Sisters International Confederation, the Dominican Association of Britain and Ireland, and in DSE (Dominican Sisters Europe) keeping the Charity and Congregation in touch with what is happening in Religious life in general, as well as at the level of the Dominican Order;
- involvement with the Catholic Safeguarding Standards Agency and the Religious Life Safeguarding Service, committed to a safer Catholic Church;

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- Sisters continuing to collaborate with other Dominicans through their participation in Dominican Family Days, the annual Dominican Seminar and meetings of lay Dominicans; and
- Directors of the Trustee participating in study days, conferences on the consecrated life and charity conferences.

5. Houses of the Charity with a special emphasis

- The houses of the Charity are places of hospitality and their facilities are offered for public benefit in a variety of ways: for example, in normal times one community hosts events of significance for those from local nursing and care homes.
- As mentioned above, in Cricklewood our St Rose's Chapel, Peace Garden and Poustinia try to offer a quiet place for reflection, prayer and silence to those of all faiths seeking peace and tranquillity away from the noise and busyness of everyday life, albeit hampered for much of 2021 and the early part of 2022.
- In normal times, St Michael's Convent is regularly used by Church and local groups for meetings, discussions and day events, mostly led by the Sisters. The convent chapel is also open for private prayer.
- In normal times our convent chapel at Rosary Priory is regularly used for mornings of prayer, reflection and music appreciation.

6. Associates

- An Associates programme encourages lay people to share the Dominican charism of the Congregation through developing their personal spirituality, strengthening their faith and prayer life, and fulfilling their baptismal mission in their family life, workplace, neighbourhood and local Parish.
- Associates are individually affiliated to the Congregation by a process of formation and, should they so choose, a formal commitment to continue formation in the Dominican charism.
- The formation of these Lay Associates is another aspect of the mission of Education of the Congregation, as it extends the theological and spiritual education of its Associates. Members of the Associates are promoting for new members in local Parishes and in schools which we had originally established and where we continue to have strong links.
- The Associates programme benefitted from the move from in-person to Zoom gatherings as more frequent meetings became possible in the absence of the need to travel. Similarly, larger numbers of Associates are able to take part in these gatherings more consistently. This is supplemented by the development of WhatsApp groups for shared prayer and reflection which are ongoing.

The Mission of the Congregation in South Africa

The Charity supports the Congregation mission in South Africa and the charitable works there, particularly evangelisation, education for life programmes and care of the poor, destitute and needy.

Strategic Plan for 2022 and Future Plans

The Strategic Plan relevant to 2022 was formed in December 2016 at the Eighteenth General Chapter of the Congregation, and recorded in the 2016 Acts of the General Chapter. The General Chapter theme: 'Make ready to proclaim the Gospel', 'Preach the word, be urgent in season and out of season' permeated the mission of the Congregation for the six years to 2022. The responsibility of the Congregation Council then elected was to implement the strategic plan to direct the Congregation in fidelity to the mandates of the 2016 Acts of the General Chapter. The background to the strategic plan comprised the following commitments:

- in accordance with our mission, every community continued to reach out in various expressions of classic Dominican preaching;
- the need to articulate our mission in contemporary language for promoting vocations to fast-changing generations to serve the mission into the future;
- a significant focus was the need to manage our finances well to enable future mission;
- our corporate witness to truth and justice moved to a focus on local community needs, particularly in the light of the COVID pandemic;
- pastoral care of frail and elderly Sisters includes deeper issues of ageing, life stages and dying;
- acknowledging our greater diminishment, our focus turned to collaboration;

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

- the expansion of our programme for Lay Associates of the Congregation
- delving into the history of the Congregation in South Africa (racial and gender issues within the Church and wider society) with a view to the healing of memories and the suffering these caused;
- the support of our initial formation programme continued to be a priority and Sisters assumed responsibility for developing their own individual on-going formation plans including continued study of theology.

As noted above, the Nineteenth General Chapter of the Congregation took place in December 2022. The implementation and outcomes of the 2016 Strategic Plan were reviewed in detail and the primary objectives for the 2023-2028 period were promulgated:

- In today's world, we seek to be a witness to the importance of human relationships and building these across the multiplicity of divides which exist. As religious women, we have a deep love and concern for the people of our local communities, our nation and our world.
- In our mission of preaching the Gospel, we acknowledge the need to engage seriously with forms of human knowledge which equip us with the skills to translate that Gospel into answers to the questions and needs of the people of our time.
- In the light of the environmental challenges with which we are faced, we seek to comply with the imperative of profound ecological conversion, both practical and spiritual. This is expressed in our local communities and our engagements with people of various backgrounds. It is a core component of our teaching, outreach and ongoing formation of all Sisters.
- We continue to build upon the solid foundations of our Lay Associates Programme, with outreach in particular to Schools founded by the Congregation and others. Our Associates share our mission, ministry and charism. Together we are establishing a Volunteer Programme to facilitate the Congregation's outreach through its several preaching projects.
- The management of our Property and Finances continues to be of paramount importance for the preservation of assets to sustain both the current mission and that of the future. This includes initiating a process of succession planning and training in leadership and governance.
- We are convinced of the positive potential of social media for our mission of preaching the Gospel and for promoting vocations. This will require an initial investment in training Sisters.
- We continue to encourage new membership through renewed and contemporary promotion efforts.
- In the light of continued focus on initial formation, a renewed emphasis on Theological and Professional Studies will be undertaken.
- The outcome of our delving into the history of our Congregation is a forthcoming publication by University of KwaZulu Natal Press, 'The First Black Dominican Sisters of Natal (1922 – 1939): At the Crossroads of Race and Gender' by Philippe Denis OP, which constitutes an important contribution to race and gender studies across a variety of social institutions, cultures and nations. This exciting outcome is both a derivative of the objectives of 2016 – 2022 and a spur to our ongoing conviction of the importance of human relationships and our desire to strengthen these through our prayer and ministry.

In support of the aims of the Charity, the Directors of the Trustee remain indebted to the following employees:

- The Finance Team
- The Data Protection and Safeguarding Lead

Fundraising Statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although this Charity does not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts within "income from charitable activities" and amount to £36,000 (2021: £16,000). There are no legacies or grants received in either year. We also receive occasional unsolicited donations.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustee.

The Charity is not bound by any undertaking of any regulatory scheme and the Charity's activities do not require it to pay attention to any voluntary code of practice.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Review

Trustee's Responsibilities

The Trustee is responsible for annually preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for the year. In preparing those financial statements, the Trustee is required:-

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

The Trustee is responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. It is 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.

Basis of Preparation of these Accounts

The 2022 financial statements of the Charity are attached to this report. They are prepared on the basis of full reporting of the Charity's activities wherever carried out – currently this is in the UK and Rome.

The Trustee considers there are no material uncertainties about the Trust's ability to continue as a going concern for the foreseeable future, being a period of at least a year from the date that these financial statements are signed. As these financial statements show, the financial consequences of Covid-19 and consequent lock downs continued to have some impact on the Charity's operations in 2022 although to a lesser extent than in 2021. The Officers of the Trustee have considered all the matters described in the Trustee's report including the Charity's operations, the impact on voluntary and education income, as well as the impact on the Charity's investment portfolio. In particular, in order to support the assessment of the sustainability of the Charity's activities, the Officers of the Trustee prepared a highly pessimistic scenario of receipt of only covenanted UK pensions from Sisters of the Congregation and 70% of the 2022 investment income, generating pessimistically forecast income of £1.7m and a cash outflow of £0.6m. The Trustee is considering some sizeable capital expenditure, not more than £1m. The cash resource is some £5m in addition to which are realisable holdings of HM UK Government gilts within the considerable investment portfolio. In the Charity's particular circumstances there are no alternative scenarios that can realistically be produced to derive alternative assumptions for budgeted forecasts, most revenues and costs being essentially fixed in nature. As at the date of signature of these financial statements this pessimistic forecast indicates that the Charity will be able to maintain liquidity for a period of at least a year (and in fact considerably longer) from the date of signature of these financial statements and the Officers of the Trustee consider that it is appropriate to prepare the financial statements on a going concern basis.

The Charity's reserves are unrestricted.

The Trustee does not anticipate a change in its operations. Although the Trustee cannot estimate what the position may be, it will be concerned to provide support to the charitable mission of the Congregation in South Africa as that is necessary.

Following guidance issued by the Charity Commission (CC15c) these financial statements are prepared under the Charities SORP (FRS 102 second edition – October 2019) rather than SORP 2005 as required by the Charities (Accounts and Reports Regulations 2008). This departure is made to provide a true and fair view.

As required, the Trustee reports that no assets were held as custodian trustee during the reporting period.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Outcome of the Year

Over the course of 2022 investment markets suffered major disruption, generally falling in value. By the end of the year the net loss on investments was £6.1m largely reversing the extraordinary 2021 £7.0m gain.

As this Report explains, the income from investments is important, being the Charity's main income source. In 2022 this represented 75% of income as against 2021's 73% of income excluding Surplus on property disposal and Other. As in recent years, the Trustee cannot precisely forecast what the future dividend and interest flows may be – the case continues that some entities may fail, others may reduce their distributions, while others may be able to a degree to resume distribution. Interest rates are affected by a variety of factors including Government action and market expectations. However, the flow of investment income in 2022 was 12% greater than in 2021 (2021: 15% greater than in 2020), and the Trustee considers it reasonable to forecast investment income at £1.2m being 70% of that received in 2022.

The next element of the Charity's income is donated pensions from Sisters (being 23% of income, 2021: 26% of income excluding Surplus on property disposal and Other). Subject to Sisters' mortality and HM UK Government finances, these pensions are reasonably certain and the forecast for 2023 is £0.5m giving, on this pessimistic assumption, income of £1.7m. Pessimistically forecast revenue expenditure excluding depreciation is £2.3m leaving £0.6m to be covered (2021: £1.5m). However, the Trustee is considering the need for some sizeable capital expenditure in 2023 which will reduce the need for energy supplies. For forecasting purposes, the Trustee has allowed a generous £1m for this but aims it will be less. Including this figure 2023 shows a forecast cash outflow of £1.6m but excluding the unusual capital expenditure the forecast outflow would be £0.6m. The £5.2m (2021: £3.9m) investment cash at banks will cover a £1.6m shortfall for some 3.2 years and a £0.6m shortfall for some 8.7 years (2021 cover: 2.5 years). There then remains the value of the security holdings and the other properties from which the Charity operates.

Overall, income totalled £2.3m (2021: £2.3m which included the £0.2m surplus on property disposal) before including gains or losses on revaluing investment assets. Net income before taking account of gains or losses on investments was £0.1m (2021: £0.4 net income). On investment assets in 2022 there was a loss of £6.1m as compared to a net gain in 2021 of £7.0m. Measured against sterling (the Charity's functional currency) during 2022 the Euro, Swiss franc and the US dollar all rose against sterling. The exchange gain of £42k (2021: loss £18k) arose from restatement in pounds sterling of balances denominated in those currencies and translation to £ sterling (the reporting currency) of transactions undertaken in currencies.

The Statement of Financial Activities and the Notes to this set out the areas of income and expenditure and further information on these.

The balance sheet shows total funds under the Charity's control of £62.7 (2021: £68.6m). These funds are used to support the ongoing charitable work of the Charity. For example, tangible assets including property account for £3.6m (2021: £3.8m) of this total and comprise the net book value of premises occupied for the Charity's work and of equipment and vehicles used in this. Further, the investments and short-term deposits shown in the balance sheet at £59.0m (2021: £64.6m) are held for the income they earn which goes towards financing the Charity's present and future objective. The Charity receives little by way of donations from the public, donations received almost entirely being from Sisters' pension rights.

The Statement of Cash Flows reports cash used in operating activities of £1.3m (2021: £1.1m) and dividends and interest received of £1.7m (2021: £1.6m), emphasising the importance of the cash flow from the Charity's investments.

Reserves Policy

The Trustee has continued to consider the policy to be adopted on the need for reserves. In common with most religious groups there have been five important trends affecting the Charity in recent years:

- the rate of income received on investments has seriously declined and there has been increased volatility in market values;
- the average age of Sisters continues to increase both because of few new entrants and the greater longevity of existing Sisters;
- mortality of older Sisters means there is increasing risk that pensions currently in payment will cease;
- few of the Sisters following their vocation are earning pay commensurate with their qualifications; and
- for the same reason, the few younger Sisters have little entitlement to future pensioning.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustee's overall objective for reserves is to seek to maintain them at such a level that, excluding gains or losses on investments and translation, the income generated for a year, taking one year with another, meets the cost of charitable expenditure to support the Charity's aims. This has broadly been the case.

Looking at the position in more detail, in earlier years there were specific designated funds for savings and future needs. In 2016 the Directors of the Trustee decided to establish a continuity fund to absorb these varying needs in a single designation. The reality is that the Charity has almost no source of income other than that arising on its investments and the donations from its Sisters. The Charity's assets are required to support expenditure by providing income, physical resource or funding.

In 2022, the income arising from the Fixed assets - Investments was £1.7m or 2.8% of £61.8m being the average of the opening and closing balance sheet Fixed assets - Investments figures. This income was the major part of the total income of £2.3m which covered the £2.1m total expenditure. In 2021, the income arising from the Fixed assets - Investments was £1.5m or 2.5% of £60.6m being the average of the opening and closing balance sheet Fixed assets - Investments figures. This income was the major part of the total income of £2.3m which covered the £1.9m total expenditure. Thus, in the circumstances of 2022 and 2021 the Trustee's overall objective was met. The figures demonstrate that the income on the Fixed assets - Investments is required as part of the total income to meet expenditure, taking one year with another. Looking at the reserves, which are all unrestricted reserves, the continuity fund is set at the same amount as the Fixed assets - Investments and at 31 December 2022 is £59.0m. (In 2021 it was £64.6m, again the same as the £64.6m of Fixed assets – Investments.) The other designated fund is for property and equipment and reflects the extent to which assets are tied up in property, at 31 December 2022 being £3.6m (2021: £3.8m). Together, these represented almost all the £62.7m (2021: £68.6m) of reserves, leaving general funds at £0.1m (2021: £0.2m).

The Trustee will review the policy at least annually when the financial statements are considered for approval. The policy will be monitored in the meantime by the Sister Bursar.

Investment Policy

The major part of the Charity's funds is held as investments with the aim of producing an income in the shorter term and capital growth in the longer term. Approximately every two years the Directors of the Trustee review the policy for investment. This was formally established in 1995, is aimed to be reviewed on at least a two-year cycle and was reviewed in 2022. Recent reviews have been undertaken noting that the investment managers are retained in a discretionary role. The investment objective is to achieve a balance between income and capital growth, the longer-term growth being necessary to support the Charity's work by a growing income level. The Investment Managers have been provided with the Charity's Investment Policy and manage the portfolio knowing the Trustee's ethical views. In addition to access as required to the investment manager's portal and a monthly informal desktop valuation, the Trustee receives formal quarterly portfolio valuations and commentary with index comparisons, and meets the Investment Managers at least twice a year to discuss their approach and actions taken.

The Trustee requires appropriate diversification of holdings, both across different types of investment and different investment entities. As the Charity has been involved in work in various areas of the world and cannot know where future demands may arise, some investment is outside UK based companies. Unless it specifically decides otherwise, the Trustee requires that no single equity holding should exceed 3.5% of the portfolio of investments (at purchase 5% in the case of a UK Government security and 3% for other purchases) or 1% of the particular security issued. The Trustee seeks to avoid investment in companies whose business involves tobacco, the production of armaments or excessive exploitation of the world's resources or people, and direct investment in such contracts as futures, options and interest rate swaps unless these are to provide a level of insurance of portfolio value. However, the actual holdings are matters within the discretion of the Investment Managers.

It is in the nature of valuation by the market that in some years there are increases and in others falls. The Trustee monitors the position and is in regular dialogue with the Investment Managers. Investment income in 2022 is £1.70m (2021: £1.52m).

Disclosure of Information to the Charity's Auditors

The Officers of the Trustee confirm that:

- so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- they have taken all reasonable steps they ought to have taken as Officers of the Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

auditors are aware of that information.

THANKS

Mention has been made earlier of the contribution of Sisters, employees and support staff to the work of the Charity. In concluding this report, the Directors of the Trustee reiterate their appreciation.

This report was approved and authorised for issue by the Directors of the Trustee and the following were authorised to sign on the Trustee's behalf on 15 May 2023.

A. B. Cunningham
Congregation Prioress
Director of the Trustee

Date: 15 May 2023

K. E d'Artois
Congregation Secretary
Director of the Trustee

Date: 15 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Dominican Sisters (Third Order) Congregation of Newcastle Natal ("the Charity") for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL (CONTINUED)

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 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Charity; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the Charity or to cease operations, or has 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 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charity and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Charity's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Charities Act, FRS102 and UK Tax legislation.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and employment act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL (CONTINUED)

- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be through the use of journal entries and accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including depreciation (including component accounting), accruals, and cost allocation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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 trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Fiona Condron

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Fiona Condron (Senior Statutory Auditor),

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date: 26 May 2023

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL (CONTINUED)**

BDO LLP 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.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£000	£000
Income from:			
Donations and legacies	3	532	534
Charitable activities	3	36	16
Investments	4	1,704	1,521
Surplus on property and equipment disposal		1	238
Other		-	1
Total income	5	<u>2,273</u>	<u>2,310</u>
Expenditure on:			
Raising funds - Investment management costs		121	123
Charitable activities	6	2,010	1,759
Total expenditure	5	<u>2,131</u>	<u>1,882</u>
Net income before net (losses) / gains on investments		142	428
Net (losses) / gains on investments	11	(6,053)	7,029
Net (expenditure) / income		<u>(5,911)</u>	<u>7,457</u>
Other recognised gains and losses			
Foreign exchange gain / (loss) on translation	15	42	(18)
Movement in funds		<u>(5,869)</u>	<u>7,439</u>
Reconciliation of funds			
Total funds brought forward	15	68,614	61,175
Total funds carried forward	15	<u>62,745</u>	<u>68,614</u>

The above results for 2022 and 2021 are derived from continuing activities. The Charity has no recognised gains and losses other than those stated above; accordingly, a statement of total realised gains and losses has not been prepared.

The notes on pages 22 to 31 form part of these financial statements.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£000	£000
Fixed assets			
Tangible assets	10	3,650	3,776
Investments	11	59,002	64,654
Total fixed assets		<u>62,652</u>	<u>68,430</u>
Current assets			
Debtors	12	97	93
Cash at bank and in hand	17	276	276
		<u>373</u>	<u>369</u>
Liabilities			
Creditors: amounts falling due within one year	13	(280)	(185)
Net current assets		93	184
Total net assets		<u><u>62,745</u></u>	<u><u>68,614</u></u>
The funds of the Charity			
Unrestricted funds:	15		
General funds		93	184
Designated funds being:			
Property and equipment		3,650	3,776
Continuity		59,002	64,654
Total Charity funds		<u><u>62,745</u></u>	<u><u>68,614</u></u>

The financial statements were approved and authorised for issue by the Trustee and were signed on its behalf on 15 May 2023

A. B. Cunningham
Director of the Trustee

The notes on pages 22 to 31 form part of these financial statements.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of cash flows	<u>Notes</u>	2022 £000	2021 £000
Net cash (used in) operating activities	17	(1,298)	(1,138)
Cash flows from investing activities:			
Dividends and interest received from investments		1,701	1,558
Proceeds from sale of investments	11	3,759	2,606
Purchase of investments	11	(2,391)	(4,714)
Net investment inflow / (outflow)		3,069	(550)
Proceeds from sale of property and equipment		1	646
Purchase of property and equipment	10	(47)	(26)
Net cash generated by investing activities		3,023	70
Change in cash and cash equivalents in the reporting period		1,725	(1,068)
Cash and cash equivalents at the beginning of the reporting period		3,685	4,771
Change in cash and cash equivalents due to exchange rate movements		43	(18)
Cash and cash equivalents at the end of the reporting period	17	5,453	3,685
Cash and cash equivalents consist of:			
Cash at bank and in hand in current assets	17	276	276
Cash at bank held within investments	11	5,177	3,409
		5,453	3,685

There is no net debt.

The notes on pages 22 to 31 form part of these financial statements

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition issued in October 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The Trustee considers there are no material uncertainties about the Trust's ability to continue as a going concern for the foreseeable future, being a period of at least a year from the date that these financial statements are signed. As these financial statements show, the financial consequences of Covid-19 impacted on the Charity's operations in the year under review, and they have continued to do so. The Officers of the Trustee have considered all the matters described in the Trustee's report including the Charity's operations, the impact on voluntary and education income, as well as the impact on the Charity's investment portfolio. In particular, in order to support the assessment of the sustainability of the Charity's activities, the Officers of the Trustee prepared a highly pessimistic scenario of no investment or other income being received other than covenanted UK pensions from Sisters of the Congregation. In the Charity's particular circumstances there are no alternative scenarios whether from the impact of Covid-19 or otherwise that can realistically be produced to derive alternative assumptions for budgeted forecasts, most costs being essentially fixed in nature. As at the date of signature of these financial statements this pessimistic forecast indicates that the Charity will be able to maintain liquidity for a period of at least a year (and in fact considerably longer) from the date of signature of these financial statements and the Officers of the Trustee consider that it is appropriate to prepare the financial statements on a going concern basis.

There were no significant judgements or estimates necessary in preparing the financial statements.

The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustee's Report for more information).

b) Fund accounting

There are no restricted funds. Unrestricted funds are available for use at the discretion of the Trustee in furtherance of the charitable objectives of the Charity.

Designated funds are funds which the Trustee has decided at its discretion to set aside for particular purposes in the future and form part of the Charity's unrestricted funds. The Trustee has the power to reallocate such funds within unrestricted funds.

All income and expenditure is shown in the Statement of Financial Activities.

c) Income

Income (which includes donations and gain on disposal of fixed assets) is accounted for on a receivable basis as soon as the Charity has entitlement to the income, there is probability of receipt and the amount is quantifiable.

Investment income includes dividends receivable, recognised when the share price goes 'ex-div' which is after a particular company dividend has been declared as payable to shareholders on the register at a particular date.

d) Expenditure

All expenditure is accounted for on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure has been listed under headings that aggregate all the costs related to that activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure is comprised of expenditure relating to the direct furtherance of the charitable objectives. Where costs cannot be directly attributable they have been allocated to activities on a basis consistent with use of the resources.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Allocation of expenditure across the different areas of advancing the Charity's main objective, being advancement of the Roman Catholic Religion for Public Benefit, is impracticable. Sisters are engaged in many activities, and each property similarly fulfils different functions.

e) Allocation of support and governance costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Trust's charitable work. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. In the circumstances of the Charity, to include an allocation of the living expenses of the Directors of the Trustee (the Congregation Prioress and her Council) would be of little benefit in comparison with the cost of capturing the information.

The basis on which support and governance costs have been allocated is set out in note 6.

f) Costs of raising funds

The costs of raising funds consist of investment management costs.

g) Operating leases

The Charity classifies the use of printing equipment as operating leases; the larger equipment was purchased by the Charity but the supplier replaces items when necessary. Rental charges, which in most cases are based on usage, are charged on a straight-line basis over the term of the lease.

h) Taxation

The Trust, Dominican Sisters (Third Order) Congregation of Newcastle Natal established at Bushey Heath, Herts., is a registered charity and as such its income and gains falling within Sections 518 to 564 of the Income Taxes Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from income tax and capital gains tax to the extent that they are applied to charitable objectives.

i) Tangible fixed assets and depreciation

Freehold land and buildings were included for the first time in 1995 at deemed cost. Acquisitions since are stated at cost. Other tangible fixed assets are stated at cost including any incidental expenses of acquisition. The costs of minor additions to fixed assets, defined as those costing less than £25,000 each are expensed in the year in which they are incurred.

Depreciation is provided to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold land	- not depreciated
Freehold buildings	- 10 to 50 years (see following paragraph)
Motor vehicles	- 4 years

With effect from 1 January 2018 freehold buildings are split between the structure and the major components which require periodic replacement, it being impractical to go back further. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Structure and Other	- 50 years
Kitchens	- 10 years
Bathrooms	- 10 years
Windows	- 10 years

j) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair or settlement value.

k) Fixed asset investments

The fair value of listed investments is taken as the closing quoted market bid value. There are no unlisted investments.

Certain deposits with banks held for their income earning and monies held by the investment managers pending investment are included in investments.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

l) Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

m) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Unless significant, transactions in foreign currencies are recorded at the average rate for the year. All exchange differences are taken to the Statement of Financial Activities.

n) Liquid resources

Liquid resources comprise cash at banks and in hand and are available on demand.

o) Liabilities - Creditors

Liabilities are recorded in the financial statements when the Officers of the Trustee have made a commitment to acquire goods or services. The amounts are established by consideration of individual unpaid future liabilities existing in respect of the reporting year.

2 Legal status of the Trust

The Trust is formally established by a Trust Deed dated 20 January 1953, as varied by the provisions of a Scheme sealed on 4 May 1995, and is a registered charity in England and Wales – Charity Registration No. 233236.

3 Income

Income from donations comprises:

	2022	2021
	£000	£000
Covenanted salaries, stipends and pensions from Sisters	524	519
Other donations and gifts	8	15
	<hr/>	<hr/>
	532	534
	<hr/>	<hr/>

Income from charitable activities comprises:

	2022	2021
	£000	£000
Other education income comprises donations for events of £36,000 (2021: £16,000)	36	16
	<hr/>	<hr/>

4 Investment income

	2022	2021
	£000	£000
Interest receivable	280	168
Dividends receivable	1,424	1,353
	<hr/>	<hr/>
	1,704	1,521
	<hr/>	<hr/>

All dividends were earned on listed investments.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Geographical analysis of income and expenditure

	2022	2021
	£000	£000
Income:		
UK	2,249	2,286
Other	24	24
	<hr/>	<hr/>
Total	2,273	2,310
	<hr/>	<hr/>
Expenditure:		
UK	2,053	1,805
Other	78	77
	<hr/>	<hr/>
Total	2,131	1,882
	<hr/>	<hr/>

6 Analysis of expenditure on charitable activities

2022	General support	Governance related	Total 2022	Total 2021
	£000	£000	£000	£000
Staff costs total as below	86	14	100	96
Property costs	708	-	708	551
Other community costs	1,050	-	1,050	957
Professional fees and bank charges	37	-	37	61
Statutory audit fee	-	44	44	34
Other charitable projects	71	-	71	60
	<hr/>	<hr/>	<hr/>	<hr/>
	1,952	58	2,010	1,759
	<hr/>	<hr/>	<hr/>	<hr/>

Basis of apportionment:

Staff cost allocation to governance is based on a reasonable approximation. All other costs are the costs borne. Allocation of expenditure across the different areas of advancing the Charity's main objective is impracticable as Sisters and convents are involved in all areas.

2021	General support	Governance related	Total 2021	Total 2020
	£000	£000	£000	£000
Staff costs	83	13	96	94
Property costs	551	-	551	651
Other community costs	957	-	957	975
Professional fees and bank charges	61	-	61	24
Statutory audit fee	-	34	34	32
Other charitable projects	60	-	60	70
	<hr/>	<hr/>	<hr/>	<hr/>
	1,712	47	1,759	1,846
	<hr/>	<hr/>	<hr/>	<hr/>

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Staff costs

	2022	2021
	£000	£000
Wages and salaries	93	90
Social security costs	6	5
Pension costs – defined contributions	1	1
	<u>100</u>	<u>96</u>

The Trustee considers its key management personnel to comprise the Directors of the Trustee (which include the Sister Bursar), the General Bursar and the Finance Manager.

The Directors of the Trustee are the Congregation Prioress and Congregation Councillors. As Sisters, their living expenses were borne by the Charity. The Directors of the Trustee received no remuneration or other benefits in connection with their duties for the Trustee or otherwise during the year.

The employee benefits, including employer's contributions, of the General Bursar and the Finance Manager totalled £96,438 (2021: £93,330).

No employee received employee benefits in excess of £60,000 in the year (2021: £60,000 - none).

The average headcount of employees, all of whom were engaged in charitable activities, during the year was 3 (2021: 3). However, they equate to 1 (2021: 1) full time employee.

8 Net income before other recognised gains and losses

	2022	2021
	£000	£000
Net income before other recognised gains and losses is stated after charging the following:		
Auditors' remuneration:		
- Statutory audit	44	34
Depreciation	173	168

9 Related party transactions

Covenanted salaries and pensions include an aggregate £25,818 (2021: £24,864) received without conditions from Sisters treated as related parties. Other than this and the employment contracts with the relevant lay staff there have been no transactions between related parties and the Charity.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

2022	Freehold land and buildings	Motor vehicles	Total
	£000	£000	£000
Cost			
At 1 January 2022	6,540	129	6,669
Additions	47		47
Disposals	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	6,587	123	6,710
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2022	2,773	120	2,893
Charge for the year	166	7	173
Disposals	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	2,939	121	3,060
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2022	3,767	9	3,776
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	3,648	2	3,650
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All tangible fixed assets relate to direct charitable purposes.

On 31 December 1995 the Trustee included freehold land and buildings at estimated replacement cost using insurance values as a basis and this has been used since then as the deemed cost for the purposes of the financial statements. The current insurance declared value is £16,637,000 (2021: £13,864,000).

2021	Freehold land and buildings	Motor vehicles	Total
	£000	£000	£000
Cost			
At 1 January 2021	7,009	152	7,161
Additions	26		26
Disposals	(495)	(23)	(518)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	6,540	129	6,669
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2021	2,699	135	2,834
Charge for the year	160	8	168
Disposals	(86)	(23)	(109)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	2,773	120	2,893
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2021	4,310	17	4,327
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	3,767	9	3,776
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

11 Investments

	2022	2021
	£000	£000
Carrying value (being market value) at 1 January 2022	64,654	56,583
Additions at cost	2,391	4,714
Disposal proceeds	(3,759)	(2,606)
Net investment (losses) / gains	(6,053)	7,029
Change in cash at bank held within investments	1,769	(1,066)
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2022	59,002	64,654
	<hr/>	<hr/>
Listed investments:		
UK fixed interest	7,020	6,394
UK equity shares	26,259	30,486
Investment trusts	-	817
Unit trusts	2,242	3,865
Overseas fixed interest	1,570	1,828
Overseas equity shares	16,734	17,855
	<hr/>	<hr/>
Market value at 31 December 2022	53,825	61,245
Cash at bank held within Investments	5,177	3,409
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2022	59,002	64,654
	<hr/>	<hr/>
Historical cost at end of year	41,384	40,397
Cumulative unrealised investment gain	17,618	24,257
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2022	59,002	64,654
	<hr/>	<hr/>

12 Debtors

	2022	2021
	£000	£000
Prepayments and accrued income	97	93
	<hr/>	<hr/>

13 Creditors

	2022	2021
	£000	£000
Amounts falling due within one year		
Taxation and social security	2	1
Accruals and deferred income	278	184
	<hr/>	<hr/>
	280	185
	<hr/>	<hr/>

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Capital commitments

	2022	2021
	£000	£000
Contracted for but not provided in the accounts	-	-

15 Statement of change in reserves

2022	Balance brought forward	Transfers	Income	Expenditure	Net investment losses	Foreign exchange differences	Balance carried forward
	£000	£000	£000	£000	£000	£000	£000
Unrestricted income funds							
General funds	184	5,778	2,273	(2,131)	(6,053)	42	93
Designated funds							
- Property and equipment	3,776	(126)	-	-	-	-	3,650
- Continuity	64,654	(5,652)	-	-	-	-	59,002
Total unrestricted funds	68,614	-	2,273	(2,131)	(6,053)	42	62,745
	=====	=====	=====	=====	=====	=====	=====
2021	Balance brought forward	Transfers	Income	Expenditure	Net investment gains	Foreign exchange differences	Balance carried forward
	£000	£000	£000	£000	£000	£000	£000
Unrestricted income funds							
General funds	265	(7,520)	2,310	(1,882)	7,029	(18)	184
Designated funds							
- Property and equipment	4,327	(551)	-	-	-	-	3,776
- Continuity	56,583	8,071	-	-	-	-	64,654
Total unrestricted funds	61,175	-	2,310	(1,882)	7,029	(18)	68,614
	=====	=====	=====	=====	=====	=====	=====

Designated and undesignated funds:

The designated Property and equipment fund is established to represent the unrestricted tangible fixed assets of the Charity. It is the same amount as the Fixed assets - Tangible assets in the Balance sheet.

The designated Continuity fund is established to show the extent to which funds are required to be retained to provide the basic financial structure to earn income to meet future expenditure. It is the same amount as the Fixed assets - Investments in the Balance sheet and accordingly includes the cumulative unrealised investment gain.

The undesignated General funds are the same amount as the Net current assets in the Balance sheet.

Transfers:

Transfers recorded above are to or from the Property and equipment designated fund and to or from the Continuity fund and from General funds arising in the respective year.

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

16 Analysis of net assets between funds

2022	General funds	Designated funds	Total funds
	£000	£000	£000
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	-	3,650	3,650
Investments	-	59,002	59,002
Current assets	373	-	373
Current liabilities	(280)	-	(280)
	<hr/>	<hr/>	<hr/>
Total net assets	93	62,652	62,745
	<hr/>	<hr/>	<hr/>
Unrealised gains included above			
On investment assets	-	17,618	17,618
	<hr/>	<hr/>	<hr/>
 2021	 General funds	 Designated funds	 Total funds
	£000	£000	£000
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	-	3,776	3,776
Investments	-	64,654	64,654
Current assets	369	-	369
Current liabilities	(185)	-	(185)
	<hr/>	<hr/>	<hr/>
Total net assets	184	68,430	68,614
	<hr/>	<hr/>	<hr/>
Unrealised gains included above			
On investment assets	-	24,257	24,257
	<hr/>	<hr/>	<hr/>

17 Cash flow information

a) Reconciliation of net (expenditure) / income to net cash outflow from operating activities

	2022	2021
	£000	£000
Net (expenditure) / income for the reporting period	(5,911)	7,457
Adjustments:		
(Gain) on sale of property and equipment	(1)	(238)
Loss/ (gain) on investments	6,053	(7,029)
Investment income	(1,704)	(1,521)
Depreciation	173	168
(Increase)/ decrease in debtors	(2)	2
Increase in creditors	94	23
	<hr/>	<hr/>
Net cash (outflow) from operating activities	(1,298)	(1,138)
	<hr/>	<hr/>

DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

b) Reconciliation of net cash flow to movement in net funds

	2022	2021
	£000	£000
Increase / (decrease) in cash in the period	1,725	(1,068)
Movement in net funds in the period	1,725	(1,068)
Foreign exchange translation differences	43	(18)
Net funds brought forward	3,685	4,771
Net funds carried forward	5,453	3,685
Being:		
Cash at bank and in hand in current assets	276	276
Cash at bank held within investments	5,177	3,409
	5,453	3,685

c) Analysis of net funds

2022	At 1 January 2022	Cash flow	Foreign exchange differences	At 31 December 2022
	£000	£000	£000	£000
Cash at bank and in hand	3,685	1,725	43	5,453
2021	At 1 January 2021	Cash flow	Foreign exchange differences	At 31 December 2021
	£000	£000	£000	£000
Cash at bank and in hand	4,771	(1,068)	(18)	3,685