

THE CONGREGATION OF OUR LADY OF PITY

REGISTERED CHARITY NO. 233237

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2023

KING LOOSE & CO
STATUTORY AUDITORS

ST JOHN'S HOUSE
5 SOUTH PARADE
SUMMERTOWN
OXFORD OX2 7JL

THE CONGREGATION OF OUR LADY OF PITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

CONTENTS

Page

1	Legal and Administrative Details
2 - 4	Trustees Report
4	Statement of Trustees' Responsibilities
5 – 5b	Auditors' Report
6	Statement of Financial Activities
7	Balance Sheet
8 - 16	Notes to the Financial Statements

THE CONGREGATION OF OUR LADY OF PITY
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2023

Charity No.	233237
Trust Deed	Dated 5 th February 1964
Constitution	Dated 27 th May 1972
Trustees	Miss V Thomson (Reverend Mother – Sister Veronica) Miss M A Walsh (Sister Antonia) Mrs B Fisher Mrs J Smith Rt Rev Dom David Cuthbert Brogan OSB V Rev Canon D Hopgood Mr U E Schwarzenbach
Principal Address	St John's Convent Linden Hill Lane Kiln Green Reading Berkshire RG10 9XP
Bankers	Barclays Bank Plc Mayfair Group of Branches PO Box 11345 London W12 8GG
Investment Brokers	Charles Stanley & Co Limited 55 Bishopsgate London EC2N 3AS
Accounts & Administration	Andrew J Curtis
Auditors	King Loose & Co St John's House 5 South Parade Summertown Oxford OX2 7JL

THE CONGREGATION OF OUR LADY OF PITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2023

The Trustees have pleasure in presenting the financial statements of the Charity for the year ended 31st August 2023. The financial statements have been prepared in accordance with the accounting policies set out on page 8 and comply with the Charity's Trust Deed and applicable legislation.

History of The Congregation

The Congregation was founded in 1948, under the leadership and direction of Mother Margaret Mary Lauder. From the beginning, the community wanted to offer their lives and work to assist priests, however, this was not realised until 1963.

At that time, some of the sisters went to work in seminaries and parishes – caring for the parish priests and assisting them in parish work. The community have constantly been aware of the need for renewal and re-assessment of their apostolate.

From 1965 until 1995, this apostolate was to care for retired priests who needed care. These priests came from diocese all over the UK and from religious orders. The aim was to provide the priests with personal care during their retirement years and also to see to their spiritual needs: daily Mass, visits from other priests and support from the diocese. From 1996, changes took place as set out in the Charity Objectives below.

Charity's Objectives

From 1996, the whole process of retirement and pastoral work for older priests changed under a new scheme set up by the diocese of Portsmouth and the clergy are now able to retire earlier when they still have some quality of life. Therefore, instead of full-time pastoral ministry, they perform part-time supply work from St John's Convent whilst receiving from the sisters the necessary physical and emotional care.

The primary aim of the Congregation remains the care of priests who have to retire from full-time ministry, but has opened up now to short-term care, and also catering for priests and religious brothers and sisters who need time off to make a retreat, have a few weeks rest after missionary work or post-operative care or rest.

The aim is always to provide a quiet, peaceful, relaxing atmosphere for all residents and guests. Under the fourth vow of the Order, that of Apostolic Zeal, a commitment exists to help all people in need, therefore, special attention is given to the care of the homeless, families in need, and orphans. As a religious Congregation, daily lives must be governed by the Gospel, whilst keeping a balance between financing the work and caring for the brothers and sisters who are in need of basic living and human rights.

Review of Developments, Activities and Achievements

The 2023 accounts show a significant increase in accommodation income, assisted by the cyclical refurbishment of the rooms and bungalows available for this purpose.

Major site repairs – to roofs, to the conservatory/ community room, and the lift – were undertaken at a cost of £115,855 during the year.

Activities have now steadily recovered to their previous levels, and indeed exceeded them, and works to upgrade the property overall now see the charity well placed to welcome residents and guests.

Ecumenical activities have resumed, now permitted by government protocols, and the Sisters are now frequently called upon to assist families whose lives have been directly affected by pressures imposed by the Coronavirus and cost of living crises.

THE CONGREGATION OF OUR LADY OF PITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2023

Public Benefit

Supporting the community gives the Charity the greatest outreach and provides the greatest public benefit. The Charity continues to engage with, and be accessible to, the community it aims to reach and serve. In considering the Charity's continuing aims and objects, the Trustees have reviewed the guidance issued by the Charity Commission in relation to public benefit, and consider that the public benefit test continues to be satisfied.

Finances and Investment Policy

The Charity's investments have continued to be managed with the objective of maintaining a balanced return between long-term capital and income growth. Charles Stanley & Co. Limited, the Charity's Investment Brokers, work within an investment policy which the Trustees have drawn up.

Despite the continuing worldwide problems in the financial markets, the value of the Charity's investment portfolio increased over the year, as did income levels therefrom. The previous and continuing restructuring of the portfolio has protected the Charity in such very difficult times. At 31st August 2023, the investment portfolio amounted to £1,334,125. After allowing for the monies introduced to the portfolio from a property sale, the decrease in the brought forward portfolio value was 10.7% over the year.

Appointment and Training of Trustees

The Trustees meet to nominate and appoint Trustees for the Charity.

With regard to training and induction of new Trustees, the policy is informal; new Trustees attend the regular meetings where matters of policy, principle and finance are discussed.

Organisational Structure

The Trustees meet at least bi-annually and decide the policies and principles to be followed. Informal meetings are also held when the need arises. The Reverend Mother – Sister Veronica – is appointed by the Trustees to ensure the decisions are carried out and the Reverend Mother also takes all day to day management decisions.

Reserves Policy

The Trustees carry out an annual review of the Charity's free reserves policy (free reserves being those funds not tied up in fixed assets, designated or restricted funds), in light of risks and future plans. The Trustees have established a policy to have a minimum free reserve of approximately four months of normal resources expended, which equates to £135,000. This reserve should enable the Charity to continue to meet its objectives if it faces loss of income, increases in costs or delays in receipts.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces or may face and confirm that systems have been established to mitigate the significant risks.

The Trustees consider that the principal risks facing the Charity are:-

- a) Maintaining the value of the investments, in terms of income generation primarily, to support the congregation and its activities, and
- b) Diminishing number of sisters or the Order, worldwide.

Insofar as is possible, the Trustees keep these matters under review.

Audit Information

In so far as the trustees are aware:

- (a) there is no relevant audit information of which the charity's auditors are unaware; and
- (b) the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

THE CONGREGATION OF OUR LADY OF PITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2023

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the relevant Charities SORP. They are also responsible for safeguarding the Charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees

.....
V Thomson

.....
Dated

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE CONGREGATION OF OUR LADY OF PITY
FOR THE YEAR ENDED 31ST AUGUST 2023

Opinion

We have audited the financial statements of The Congregation of our Lady of Pity (the “Charity”), for the year ended 31st August 2023, which comprise the statement of financial activities, the balance sheet 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity’s affairs as at 31st August 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE CONGREGATION OF OUR LADY OF PITY
FOR THE YEAR ENDED 31ST AUGUST 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of the audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under S145 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.

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:

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

- ensuring that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations, which we had identified through discussions with management, and from our commercial knowledge and experience of the entity.
- we focused on specific and relevant laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity.
- we assessed the extent of compliance therewith.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE CONGREGATION OF OUR LADY OF PITY
FOR THE YEAR ENDED 31ST AUGUST 2023

Our responsibilities for the audit of the financial statements (continued)

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud, and;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

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

- performed analytical procedures to identify any unusual or unexpected relationships and investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims and reviewing any correspondence with relevant regulators.

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

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

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

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

**St John's House
5 South Parade
Summertown
Oxford OX2 7JL**

**King Loose & Co
Statutory Auditors**

King Loose & Co is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE CONGREGATION OF OUR LADY OF PITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2023

	<u>Note</u>	<u>Unres- tricted Funds</u> £	<u>Total Funds</u> <u>2023</u> £	<u>Unres- tricted Funds</u> £	<u>Total Funds</u> <u>2022</u> £
Income & Endowments from:					
Voluntary Income	2	136,996	136,996	51,454	51,454
Activities for generating funds:-					
Fees for Accommodation and Services provided		286,469	286,469	221,714	221,714
Pensions		4,610	4,610	4,380	4,380
Investment Income	3	54,765	54,765	35,218	35,218
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		482,840	482,840	312,766	312,766
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on					
Charitable Activities:					
Operating Costs	4	455,459	455,459	310,659	310,659
Grants	5	8,700	8,700	3,375	3,375
Other Support Costs	4	48,079	48,079	44,257	44,257
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure		512,238	512,238	358,291	358,291
		<hr/>	<hr/>	<hr/>	<hr/>
Net (Expenditure) for the Year Before Investment Movements		(29,398)	(29,398)	(45,525)	(45,525)
Net Gains/(Losses) on Investments And Fixed Assets	7	635,854	635,854	(154,834)	(154,834)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		606,456	606,456	(200,359)	(200,359)
Total Funds Brought Forward		2,686,720	2,686,720	2,887,079	2,887,079
		<hr/>	<hr/>	<hr/>	<hr/>
Total Funds Carried Forward		3,293,176	3,293,176	2,686,720	2,686,720
		=====	=====	=====	=====

There were no other recognised gains or losses other than those reflected in the Statement of Financial Activities.

The notes on pages 8 to 16 form part of these accounts.

THE CONGREGATION OF OUR LADY OF PITY
BALANCE SHEET AS AT 31ST AUGUST 2023

	<u>Note</u>	£	<u>2023</u>	£	£	<u>2022</u>	£
Fixed Assets							
Tangible Assets	6		1,886,036			2,006,553	
Investments	7		1,334,125			665,370	
			3,220,161			2,671,923	
Current Assets							
Debtors	8	15,061			10,476		
Short Term Bank Deposits		27,784			18,059		
Cash at Bank		55,412			9,568		
			98,257		38,103		
Current Liabilities							
Creditors: Amounts Falling due within one year	9	14,430			10,922		
Net Current Assets							
			83,827			27,181	
Total Assets less Current Liabilities							
			3,303,988			2,699,104	
Creditors: Amounts falling due after more than one year	10		10,812			12,384	
			3,293,176			2,686,720	
Represented By:							
Unrestricted Funds	11		3,293,176			2,686,720	

Approved by the Board of Trustees and signed on its behalf by:

.....
V Thomson

.....
Dated

The notes on pages 8 to 16 form part of the accounts.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting Policies

The following accounting policies are considered material in relation to the Charity's financial statements.

a) General Information

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Charity operates.

b) 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(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102); and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The charity has taken advantage of the exemption to prepare a cash flow statement, as contained in Financial Reporting Standard 1, on the grounds that it is a small charity.

c) Activities

The financial statements include the results of the charity's operations as described in the trustees' annual report, and all of which are continuing.

d) Revenue Recognition

Investment income

Investment income is credited to income on a receipts basis, and comprises dividends and interest from listed investments, and interest on deposits.

Pensions

Such income is either state pension, or sourced from the sisters' activities, either current or previous, and is wholly covenanted to the charity by the sisters, on a receipts basis.

Donations and Legacies

Donations are credited to income when received. Legacies are credited to income when the charity is legally entitled to the income and the amount can be verified with reasonable accuracy.

Fees for accommodation and services

Such income is sourced from the sisters' activities, and is credited to income on a receivable basis, at the point at which the charity is entitled to the income.

All incoming resources are thus included in the Statement of Financial Activities when the charity is legally entitled to the income, and the amount can be verified with reasonable accuracy.

e) Expenditure Recognition

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

Expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure represents the costs of supporting the sisters both personally, and in their activities on behalf of the charity.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting Policies (continued)

f) Grants and Donations

Grants and donations expended are shown in note 5 to the financial statements. These are reported when paid. There are no significant multi-year grants.

g) Value Added Tax

Value Added Tax is not recoverable by the Charity, and is included in the relevant costs in the Statement of Financial Activities.

h) Tangible Assets and Depreciation

Property, plant and equipment are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Land and buildings are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are considered every year ensuring the carrying amount does not differ materially from the fair value determined at the end of the reporting period.

At 31st August 2023, the trustees were satisfied that no revaluation adjustments were required.

Depreciation is provided on tangible fixed assets in order to write off each asset over its expected economic life. The rates of depreciation applied to each class of asset are:-

Freehold land	-	not depreciated
Freehold buildings	-	1% on revalued amount plus
	-	subsequent additions
Furniture and fittings	-	15% on reducing balance
Equipment	-	25% on straight line basis
Motor vehicles	-	25% on reducing balance

i) Investments

Investments are shown in the accounts at fair value which has been determined as follows:-

- (i) Listed securities and securities on the Unlisted Securities Market (USM) are shown by reference to mid-market price and other appropriate financial information.
- (ii) Other unlisted securities are valued having regard to latest dealings, professional valuations, asset values and other appropriate financial information.
- (iii) Unit trust investments are stated at the mid-point of the latest prices quoted by their respective managers prior to 31st August 2023.
- (iv) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31st August 2023.
- (v) Gains and losses, whether realised or not, are reported in the Statement of Financial Activities.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting Policies (continued)

j) Financial Assets and Liabilities

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

b. Investments. Investments comprise Quoted Stocks and Shares as detailed in the notes to the accounts, for which a fair value can be measured reliably. Such investments are initially recognised at fair value, which is the transaction price excluding transaction costs, and are subsequently measured at fair value with movements being reflected through the statement of financial activities.

c. Trade and other payables. Trade and other payables that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

k) Impairment of Assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flow expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the receivable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in the statement of financial activities. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

l) Leasing and Hire Purchase

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Assets held under finance lease arrangements are recognised as assets within property, plant and equipment at their fair value, or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The assets are subsequently depreciated over the shorter of the lease term and their useful life. The corresponding finance lease liability is recognised as a finance lease obligation, with lease payments being apportioned between finance charges and a reduction in the lease obligation so as to achieve a constant rate of interest on the remaining amount of the liability. Finance charges are recognised within the statement of financial activities.

Payments made under operating lease arrangements are charged to the statement of financial activities on a straight line basis over the lease term.

m) Employee Benefits – Pensions

The charity operates a defined contribution pension scheme in respect of certain paid employees. The scheme and its assets are held by independent managers. The pension charge represents the amounts payable by the charity to the fund in respect of the year.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting Policies (continued)

n) Fund Accounting

Funds held by the Charity are either:

- Unrestricted General Funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated Funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

All of the charity's assets are currently represented by Unrestricted General Funds.

o) Going Concern

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all entities. In response to such conditions, the trustees have carefully considered these risks, including an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements.

The trustees have concluded that the going concern basis remains appropriate.

2. Donations, Grants and Legacies

Included within the figure for donations, grants and legacies are the following gifts:-

	£
Father Friel	90,133
PG and BR Thompson	5,780
P Lawes	2,000
G McGrath	2,500
Simon Johnson	3,500
G Pillai	2,000
Ann Johns	2,000
	=====

The Trustees are sincerely grateful for these generous gifts.

3. Investment Income

	<u>2023</u>	<u>2022</u>
	£	£
From Listed Investments	53,298	35,215
From Bank Deposits	1,467	3
	=====	=====
	54,765	35,218
	=====	=====

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

4. Expenditure

	<u>Operating</u>	<u>Other</u>	<u>Total</u>	<u>Operating</u>	<u>Other</u>	<u>Total</u>
	<u>Costs</u>	<u>Support</u>	<u>Funds</u>	<u>Costs</u>	<u>Support</u>	<u>Funds</u>
	<u>£</u>	<u>Costs</u>	<u>2023</u>	<u>Costs</u>	<u>Cost</u>	<u>2022</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Food, Provisions & Sundries	40,352	-	40,352	27,457	-	27,457
Light and Heat	25,050	-	25,050	27,527	-	27,527
Rates/Council Tax	2,626	-	2,626	10,900	-	10,900
Telephone	11,377	-	11,377	9,190	-	9,190
Insurance	13,154	-	13,154	12,061	-	12,061
Repairs & Renewals	182,366	-	182,366	80,146	-	80,146
Garden Maintenance	2,763	-	2,763	1,498	-	1,498
Motor & Travelling Expenses	4,985	-	4,985	5,087	-	5,087
Holidays/ Pilgrimage/ Retreat	-	-	-	-	-	-
Staff Costs	79,195	34,506	113,701	65,405	33,756	99,161
Newspapers, Magazines & Recoverable Expenses	3,632	-	3,632	844	-	844
Printing, Stationery, Postage, & Computing	3,903	-	3,903	4,360	-	4,360
Advertising	-	-	-	-	-	-
Chapel Expenses	13,408	-	13,408	11,231	-	11,231
Clothing and Linen	1,983	-	1,983	4,266	-	4,266
Medical Expenses/ Nursing Home Fees	18,646	-	18,646	19,470	-	19,470
Audit Fees	-	3,250	3,250	-	2,744	2,744
Bank Charges	-	306	306	-	327	327
Cleaning, Sundries & Subscriptions	18,499	-	18,499	7,374	-	7,374
Depreciation:						
Motor Vehicles	8,230	-	8,230	1,378	-	1,378
Furniture & Equipment	5,163	-	5,163	4,472	-	4,472
Freehold Property	17,000	-	17,000	18,000	-	18,000
Legal & Professional Fees	325	166	491	1,966	166	2,132
Equip. Hire(Fire Alarms)	2,802	-	2,802	1,646	-	1,646
Invest. Managers' costs	-	9,851	9,851	-	7,264	7,264
Hire Purchase Interest	-	-	-	156	-	156
Profit on vehicle disposal	-	-	-	(3,775)	-	(3,775)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	455,459	48,079	503,538	310,659	44,257	354,916
	=====	=====	=====	=====	=====	=====

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

5. <u>Grants and Donations</u>				<u>2023</u>	<u>2022</u>
				£	£
To Individuals				3,530	100
To Other Charities				170	3,275
Diocesan donation for priests				3,000	-
To send seminarians to Lourdes				2,000	-
				<hr/>	<hr/>
				8,700	3,375
				<hr/>	<hr/>
6. <u>Tangible Fixed Assets</u>					
	<u>Freehold</u>	<u>Motor</u>	<u>Furniture</u>		
	<u>Property</u>	<u>Vehicles</u>	<u>& Equip</u>		<u>Total</u>
	£	£	£		£
Cost or Valuation					
At 1 st September 2022	2,549,995	22,053	157,212		2,729,260
Additions in Year	-	21,000	2,605		23,605
Disposals	(152,615)	-	-		(152,615)
	<hr/>	<hr/>	<hr/>		<hr/>
At 31 st August 2023	2,397,380	43,053	159,817		2,600,250
	<hr/>	<hr/>	<hr/>		<hr/>
Depreciation					
At 1 st September 2022	586,519	1,378	134,810		722,707
Charge for the Year	17,000	8,230	5,163		30,393
Disposals	(38,886)	-	-		(38,886)
	<hr/>	<hr/>	<hr/>		<hr/>
At 31 st August 2023	564,633	9,608	139,973		714,214
	<hr/>	<hr/>	<hr/>		<hr/>
Net Book Values					
At 31 st August 2023	1,832,747	33,445	19,844		1,886,036
	<hr/>	<hr/>	<hr/>		<hr/>
At 31 st August 2022	1,963,476	20,675	22,402		2,006,553
	<hr/>	<hr/>	<hr/>		<hr/>

The following assets were held under hire purchase agreements:

	<u>2023</u>	<u>2022</u>
	<u>Net book</u>	<u>Net book</u>
	<u>Value</u>	<u>value</u>
	£	£
Motor vehicles	15,507	20,675
	<hr/>	<hr/>
	<u>Depreciation</u>	<u>Depreciation</u>
	£	£
	5,168	1,378
	<hr/>	<hr/>

The freehold property was last revalued on 17th August 2000 at £2,450,000, by M W Heath F.R.I.C.S. of Martin Heath Associates. The Trustees used this figure to restate the carrying value of the freehold property as at 31st August 2000, with subsequent additions being reflected at cost, and disposals as an appointment of the revalued amount.

The entire net book value at 31st August 2023 represents fixed assets used for direct charitable purposes.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

7.	<u>Fixed Asset Investments - Portfolio</u>	<u>2023</u>
		£
	Valuation at 1 st September 2022	665,370
	Add: Acquisitions at Cost	960,798
	Less: Disposals	(301,763)
		<hr/>
		1,324,405
	Change in Market Value	9,720
		<hr/>
	Market Value at 31 st August 2023	1,334,125
		=====
	Represented By:	<u>2023</u>
		£
	Investments listed on a recognised Stock Exchange, including Investments and Unit Trusts, are as follows:	
	UK	1,163,756
	Overseas	47,979
		<hr/>
		1,211,735
	Fixed Interest and Govt. stock	122,390
		<hr/>
		1,334,125
		=====
	Analysis of Net Investment Losses	£
	Unrealised Gains for the Year (portfolio)	9,720
	Losses Realised on Disposal etc (portfolio)	(476)
	Gains on disposal of property	626,610
		<hr/>
	Net Investment Losses	635,854
		=====
	Material Investments as at 31st August 2023	<u>Market</u>
		<u>Value</u>
		£
	Consistent U.T. Management	71,640
	Woodside Energy Group Ltd	56,190
	Man Fixed Interest ICVC	57,672
	Rio Tinto Ord	58,470
	3i Group Ord	59,805
		4.38
		4.48

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

8. Debtors	<u>2023</u>	<u>2022</u>
	£	£
Prepayments and Sundry Debtors	3,556	5,683
Income Tax Recoverable	11,505	4,793
	<hr/>	<hr/>
	15,061	10,476
	<hr/>	<hr/>
9. Creditors – Amounts Falling Due Within One Year	<u>2023</u>	<u>2022</u>
	£	£
Trade Creditors	4,712	4,792
Social Security and Other Taxes	-	-
Accruals	8,146	4,558
Hire Purchase Creditor (current element)	1,572	1,572
	<hr/>	<hr/>
	14,430	10,922
	<hr/>	<hr/>
10. Creditors – Amounts Falling Due After More Than One Year	<u>2023</u>	<u>2022</u>
	£	£
Hire Purchase Creditor Due 1-2 years	1,572	1,572
Due 2-5 years	9,240	10,812
	<hr/>	<hr/>
	10,812	12,384
	<hr/>	<hr/>
11. Unrestricted Funds		<u>2023</u>
		£
The movement in unrestricted funds during the year is as follows:		
At 1 st September 2022		2,686,720
Net (Outgoing) Resources for the Year		(29,398)
Gains on Investment, and Other Fixed Assets		635,854
		<hr/>
At 31 st August 2023		3,293,176
		<hr/>
12. Trustees' Remuneration and Expenses		

The Trustees received no remuneration (2022 – nil). Two of the Trustees, Reverend Mother Sister Veronica (Miss V Thomson) and Sister Antonia (Miss M A Walsh), have use of the Charity's motor vehicles and all motor, living and other expenses are paid by the Charity to enable them to carry out their work on its behalf.

THE CONGREGATION OF OUR LADY OF PITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023

13. Employees' Remuneration

No employee earned emoluments of more than £60,000 p.a. during the year.

Staff Costs	<u>2023</u> £	<u>2022</u> £
Wages and Salaries	107,457	93,905
Social Security Costs (net of Employment Allowance)	4,615	4,009
Pension Costs	1,632	1,247
	<hr/> 113,701 <hr/> <hr/>	<hr/> 99,161 <hr/> <hr/>
 The average number of staff for the year were:	 <u>No</u>	 <u>No</u>
Sisters	2	2
Operational Staff	3	3
Administrative staff	1	1
	<hr/> <hr/>	<hr/> <hr/>

14. Contingent Liabilities

The Charity had no material contingent liabilities at 31st August 2023.

15. Secured Liabilities

Hire Purchase Creditors are secured on certain of the Charity's fixed assets as detailed in note 6 to these accounts.