

**MISSIONARY SISTERS
SERVANTS OF THE HOLY SPIRIT
FINANCIAL STATEMENTS
31 DECEMBER 2022
(Charity Number: 233377)**

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Joan Quirke Ann Carmen Lee Mary Patricia Hudson Joanna Kubisz Lizy Joseph Yudith Anu
Regional Superior	Joan Quirke
Regional Bursar	Joanna Kubisz
Principal Office	The Convent 11 Kings Weston Lane Lawrence Weston Bristol BS11 0QU
Charity Registration Number	233377
Governing Instrument	Trust Deed dated 25 September 1965 (as amended by a scheme dated 26 July 1967)
Independent Examiner & Charity Commission named correspondent	Olayinka Tomori Longmeade Consult Ltd Regus House Victory Way, Admiral's Park Dartford DA2 6QD
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ
Principal Bankers	Lloyds Bank Farnham P O Box 1000 Andover BX1 1LT
Investment Managers	Charles Stanley Asset Management 55 Bishopsgate London EC2N 3AS
Investment Powers	There are no restrictions on the trustees' powers of investment

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The trustees present their report together with the accounts for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition effective 1 January 2019) and comply with the charity's trust deed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

The objects of the charity are to advance the religious and other charitable work of the Missionary Sisters as the Trustees, with the approval of the Superior, shall from time to time think fit and for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the Trustees shall determine.

Trustees and Governance

All trustees are members of the Congregation. The power of appointment and removal of trustees rests with the Superior General for the time being. The trustees meet as frequently as is required for the purposes of the charity's activities and will meet at least twice per year. As members of the Congregation all trustees are well-versed in its charism, or ethos, and the objectives and activities of the charity.

When necessary, the trustees seek advice and support from the charity's professional advisers and attend courses, conferences and training days as required in order to keep up-to-date with legal, regulatory and other such matters.

ACTIVITIES AND ACHIEVEMENTS

The Missionary Sisters – Servants of the Holy Spirit is an international Roman Catholic Congregation with a Region in the UK. The charity exists to carry out the charitable aims of the Congregation in England and is the legal vehicle through which its UK assets are held. Throughout 2021, there were communities of Sisters in Bristol and in Birmingham.

The Sisters of the Congregation in England undertake a wide variety of activities in pursuit of the Congregation's charitable aims.

Our charitable activities

- **General**
 - To support the Congregation's missionaries and religious missionary activity in general.
 - To support the work of the local parish.
 - To work towards overcoming barriers between denominations, faiths and cultures.
 - To relieve poverty and help those most in need
 - To promote the physical, emotional and spiritual wellbeing and growth of all people. To safeguard spiritual 'spaces'
- **Education Training**
 - Primary School Support Teaching
 - Education and preparation of missionaries including language courses/degrees/diploma, extra tuition, providing opportunities for our sisters and others to study and become competent professionals.
 - Catechetical classes for First Communion and Confirmation candidates
 - Teaching English to speakers of other languages living in England

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ACTIVITIES AND ACHIEVEMENTS - Our charitable activities (continued)

- **Medical Health Sickness & Disabilities**
 - Providing assistance to the elderly, sick, or housebound
 - Supporting staff and residents in supported accommodation, assisted living, nursing homes
 - Visiting sick people in hospital and at home, distributing communion, bringing them to church, shopping.
 - Supporting the sick or dying to experience dignity and respect, and providing pastoral and spiritual care.
 - Supporting parents of children who are sick and dying
- **Relief of Poverty & Overseas Famine Relief**
 - Giving to charitable works including CAFOD.
 - Helping with projects in developing countries by channelling donations received and sending sisters to monitor progress. Raise awareness by speaking in churches. Sending parcels abroad to those in need, giving in emergency situations.
 - Providing basic necessities, emotional support and general assistance to refugees and asylum seekers and people experiencing hardship
 - Supporting people with addictions ordinarily and in times of crisis
- **Religious Activities**
 - Support and involvement in the local parish, cathedral churches and hospitals
 - Bible sharing, preparation for the Eucharist, Communion Services
 - Inter religious collaboration
 - Health care chaplaincy work
 - Arranging prayer meetings, providing rooms for prayer groups, youth groups, organising recollection days

Work during the year

During the year our work included:

- **Children & Young People**
 - Volunteer work at a mother and toddler group
 - Supporting youth and young adults in prayer groups and religious activities
 - Children's hospital chaplaincy work
- **Elderly/Old People**
 - Hospital chaplaincy and spiritual and pastoral care of older people
 - Giving support and encouragement to the elderly in our parish community, in particular visiting and accompanying lonely older people
- **Minority Groups**
 - Support of refugees and asylum seekers
 - Supporting the travelling community
 - Support of homeless
- **General Public/Humankind**
 - Interdenominational voluntary community work
 - Help for distressed, sick, elderly, lonely, bereaved persons
 - Work with and in support of the parishes in which we live
 - Inter faith collaboration in our neighbourhoods
 - Food Bank voluntary work
 - Spiritual accompaniment

The Trustees conducted an in-depth review of the charity's policies for the protection of children and vulnerable adults and continue to ensure that they have in place detailed guidance for all those working in the pursuit of the charity's aims.

The charity had no volunteers supporting its activities in the year.

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PUBLIC BENEFIT GUIDANCE OF THE CHARITY COMMISSION

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

The charity's principal sources of income continue to be income donated by the Sisters of the Congregation from pensions, salaries and stipends. There is also income from general donations and investment income. A substantial donation of £300.6k (2021: £83.3k) was also received from the Irish Region in the year which will be put towards property refurbishments. Rental income is a constant source of income, which arises from the letting of a property, not required for the charity's own charitable work. For the time being it is let to a third-party organisation (a registered charity assisting disabled people). The rent is set below the market rate, to enable the organisation to pursue its charitable purposes, which are parallel to those of the charity.

Expenditure to support charitable activities were £147.2k compared to £130.5k in 2021. The Sisters continue to closely monitor costs but community and administration expenses rose in the year due to ongoing inflationary trends and substantial expenses incurred for visa sponsorship licence and towards safeguarding training. Less was spent on building repairs and maintenance in 2022.

The net movement in funds for the year was £212.2k (2021: £42.5k). At the end of the year, the net funds had **increased** to £1,842k from £1,629.8k in 2021.

Investment policy and performance

The trustees' investment strategy is to maximise total return within acceptable levels of risk and within certain ethical constraints. The fund manager is instructed to avoid investment in companies whose main activities are considered to be in conflict with the teachings of the Roman Catholic Church. This includes tobacco and armaments, coal and unconventional fossil fuel resources and extraction techniques.

The year to 31 December 2022 returned to the downward trend experienced during the height of the pandemic in 2020. However, this was because of the instability brought to the world economy with the war in Ukraine. Consequently, there were substantial losses in stock values.

Withdrawals are made from the portfolio to meet fund management fees. The total return (income plus/minus capital gains/losses) on the portfolio was -7.65% (2021: +14.46 %.).

Whilst this represents a substantial reduction in values, the trustees consider this to have been a satisfactory return especially in the light of uncertainties in the global economy over the period. The trustees will continue to monitor closely the performance of the portfolio and will meet with the charity's investment manager at least once every six months.

Reserves Policy

The charity owns Fixed Assets in the form of properties in Farnham, Birmingham and Bristol. The Farnham property is now considered to be surplus to the needs of the sisters. As noted above, the trustees are furthering the charity's objects by means of letting this property to a third-party charity. The trustees continue to keep the charity's property requirements under review. The trustees are confident that the properties have a market value in excess of the net book value of £403.3k.

At the end of 2022, the total of cash and investments was £1.51m. The trustees consider that the charity should hold approximately two years' expenditure in general reserve; that is around £250k to £300k at current levels. In addition to this, the demographics of the Congregation's membership are such that financial pressures are likely to be experienced in the longer term. For this reason, the trustees have accumulated cash and investments as a form of Retirement Fund intended to provide for the charity's commitment to care for sisters in sickness and old age. After allowing for the general reserve, approximately £1.2m was held for this purpose. With 10 Sisters in the UK Region, this equates to about £120k per sister. Given that providing care in a nursing home for one sister could cost upwards of £60k per annum, this is viewed by the trustees as very much a minimum sum required.

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FOR THE YEAR ENDED 31 DECEMBER 2022

FUTURE PLANS

There are plans for the charity to carry out significant refurbishment of its property in Bristol, in order to make the property more user friendly for people wishing to come for retreat or quiet days, as well as to accommodate small groups of people from the parish and surrounding area, wishing to use the house and chapel for meetings. The refurbishment work is also being undertaken with the future requirements of the Sisters in mind.

There are no immediate plans to change significantly the way that the charity operates.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 enable them to ensure that the accounts comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 24th March 2023 and signed on their behalf by:

.....
Joan Quirke
Trustee

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

I report to the charity trustees on my examination of the accounts of the Missionary Sisters – Servants of the Holy Spirit Charitable Trust (the Trust) for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Olayinka Tomori
ACA, DChA

Longmeade Consult Ltd
Regus House
Victory Way, Admiral's Park
Dartford
DA2 6QD

24th March 2023

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted	
	Notes	2022 Total £	2021 Total £
INCOME from			
Donations and legacies:			
Sisters' salaries and pensions		48,020	30,762
Donation from Irish Region of the Congregation		300,569	83,257
Other donations		1,667	3,302
Investments:			
Investment income and bank interest		14,700	14,608
Rental income		26,520	26,520
Other income		17,922	14,518
Total Income		<u>409,398</u>	<u>172,967</u>
EXPENDITURE on			
Raising funds			
Investment management costs		3,231	3,177
Charitable activities	3	143,953	127,300
Total expenditure		<u>147,184</u>	<u>130,477</u>
Net income before gains on investments		262,214	42,490
Net (losses)/gains on investments	6	(50,031)	49,079
Net movement of funds		212,183	91,569
Fund balances brought forward at beginning of year		1,629,842	1,538,273
Fund balances carried forward at end of year		<u><u>£1,842,025</u></u>	<u><u>£1,629,842</u></u>

The accompanying notes form part of these financial statements.

There are no other gains or losses other than those disclosed in the statement above.

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Tangible Fixed Assets	5	418,651	413,797
Investments	6	425,877	479,098
		<u>844,528</u>	<u>892,895</u>
CURRENT ASSETS			
Debtors		14,764	14,498
Cash at bank and in hand		1,082,247	820,900
		<u>1,097,011</u>	<u>835,398</u>
CURRENT LIABILITIES			
CREDITORS:			
Amounts due within one year	7	(99,514)	(98,451)
NET CURRENT ASSETS		<u>997,497</u>	<u>736,947</u>
NET ASSETS		<u><u>£1,842,025</u></u>	<u><u>£1,629,842</u></u>
REPRESENTED BY:			
Funds			
- General		1,842,025	1,629,842
		<u><u>£1,842,025</u></u>	<u><u>£1,629,842</u></u>

Approved by the Trustees on 24th March 2023 and signed on their behalf by:

.....
Joan Quirke
Trustee

The accompanying notes form part of these financial statements.

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Second edition effective 1 January 2019) – Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Stipends and Pensions

Income from stipends and pensions are recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance is deferred until the criteria for income recognition are met.

Donations and Legacies

Donations and legacies are recognised when receivable or when the charity becomes legally entitled to them and the value can be estimated with reasonable certainty. Receipts of property, investments or other gifts in kind are included at market value.

Expenditure

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed. Irrecoverable VAT is included with the category of expense to which it relates.

Governance costs which form part of support costs, include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Individual fixed assets costing £1,500 or more are capitalised at cost and are depreciated annually over their estimated useful economic lives on a straight-line basis as follows:

Freehold land	Nil
Freehold buildings	2%
Building improvements	10%
Motor vehicles	25%

Investments

Quoted investments are valued at their closing middle market price on the final day of the financial year for inclusion in the Statement of Assets and Liabilities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the obligation can be measured or estimated reliably.

Foreign currencies

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

Statement of cash flows

The charity qualifies as a small charity, hence is exempt from the requirement to produce a Statement of Cash Flows.

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2. TRANSACTIONS WITH TRUSTEES

The trustees of the charity are members of the religious Congregation and as such have taken vows of poverty under which they renounce all personal rights to income and capital in favour of the charity. The living expenses of the trustees are therefore borne by the charity.

3. CHARITABLE ACTIVITIES

	2022 £	2021 £
<i>Supporting Sisters and their ministries:</i>		
Community	30,737	29,526
Formation and Education	21,992	21,358
Operating expenses	30,608	37,975
Apostolic work	3,023	2,773
Congregational support (Note 4)	2,000	2,033
Depreciation	15,645	11,494
Support costs	32,668	14,935
Governance costs	7,280	7,206
	<u>£143,953</u>	<u>£127,300</u>

Included in governance costs are:

Independent examiner's fees – examination	£1,200	£1,200
Independent examiner's fees - other	£3,120	£3,120
	<u>£4,320</u>	<u>£4,320</u>

4. CHARITABLE SUPPORT OF THE CONGREGATION'S GENERALATE AND MISSIONS

	2022 £	2021 £
Payments to overseas branches of the Congregation comprise:		
Generalate in Italy	2,000	1,783
Ghana	-	150
Indonesia	-	100
	<u>£2,000</u>	<u>£2,033</u>

MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

5. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Furniture & equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2022	652,808	97,591	27,944	778,343
Additions	-	-	20,500	20,500
Disposals	-	(25,056)	(11,000)	(36,056)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	652,808	72,535	37,444	762,787
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2022	239,018	97,588	27,940	364,546
Charge for year	10,520	-	5,125	15,645
Disposals	-	(25,056)	(10,999)	(36,055)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	249,538	72,532	22,066	344,136
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2022	£403,270	£3	£15,378	£418,651
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	£413,790	£3	£4	£413,797
	<hr/>	<hr/>	<hr/>	<hr/>

All fixed assets are held entirely for use in the fulfilment of charitable purposes.

6. FIXED ASSET INVESTMENTS

	2022 £	2021 £
Market value at 1 January 2022	479,098	433,320
Additions at cost	16,619	51,358
Disposals (at opening market value)	(19,809)	(54,659)
Net Gains/(Losses)	(50,031)	49,079
	<hr/>	<hr/>
Market value at 31 December 2022	£425,877	£479,098
	<hr/>	<hr/>
Cost at 31 December 2022	£331,994	£340,940
	<hr/>	<hr/>
The investment portfolio consists of:	2022 £	2021 £
Listed on a recognised stock exchange	306,151	347,381
Bank deposits	13,089	13,437
Overseas investments	106,637	118,280
	<hr/>	<hr/>
	£425,877	£479,098
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MISSIONARY SISTERS - SERVANTS OF THE HOLY SPIRIT

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

7. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Other creditors and accruals	10,950	9,930
Dowries and Patrimony – held on behalf of sisters	88,564	88,521
	<u>£99,514</u>	<u>£98,451</u>