

**THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD  
SHEPHERD PROVINCE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Sr. M J Mikol	
	Sr. A Flak	
	Sr. B Wiecek	(Appointed 21 June 2021)
	Sr. M Stempko	(Appointed 27 January 2021)
	Sr. M Czerniak	(Appointed 27 January 2021)
<b>Charity number</b>	234201	
<b>Principal address</b>	52 London Road Enfield Middlesex EN2 6EN	
<b>Auditor</b>	Beatty & Co Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL	
<b>Bankers</b>	Barclays Bank plc Enfield Branch 20 The Town Enfield Middlesex EN2 6LY	
<b>Solicitors</b>	Bates Wells 10 Queen Street Place London EC4R 1BE	

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# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

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# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Trustees present their annual report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

#### **Trust Establishment**

The Sisters of the Holy Family of Nazareth (Good Shepherd Province) is a religious trust governed by a Trust Deed dated 3rd April 1964 and is registered with the Charity Commission, Charity Registration No. 234201.

#### **Incorporation**

While the Charity is unincorporated, the trustees are incorporated.

#### **Charity Contact Details**

52 London Road  
Enfield, Middlesex  
EN2 6EN  
Tel: 020 8363 4483  
Email: [charity@csfn.uk](mailto:charity@csfn.uk)

### **AIMS, PRIORITIES AND STRATEGIES OF THE CHARITY**

#### **Aims of Charity**

The principal aim of the Charity is the support of such charitable purposes as to advance the religious and other charitable work carried on by the Congregation in accordance with its Mission. Such purposes include the advancement of the Roman Catholic religion, the advancement of education, the spread of Christian values, caring for the family, the elderly and the needy, and the promotion of justice and peace.

#### **2020 Priorities the Charity Aims to Address**

The Charity continued to focus on the following areas of priority:

- (i) Supporting families and persons within families experiencing hardship, mental breakdown, poverty and homelessness.
- (ii) Providing care and housing for the elderly and low wage earners.
- (iii) Contributing to the educational advancement of children and language proficiency for migrants.
- (iv) Providing support to migrants and young children.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Strategies for Achieving Objectives**

The Trustees annually review the charity services provided and the requests for assistance presented when setting priorities for their Charity activities. The trustees have regard to the guidance issued by the Charity Commission on public benefit.

Due to the spread of the coronavirus, severe limitations were placed on the Charity in terms of interaction with the local community and individuals. Despite the barriers caused by the COVID-19, the Charity continued in 2020 to provide services to the elderly under its care, the poor and to migrant groups.

#### **The Charity**

- supported neighbours, especially migrants in monetary ways and supportive services.
- provided food and financial support for needy families.
- maintained care services and accommodation for the elderly.
- offered low cost accommodation to low wage earners.
- provided facilities for the broadcast of church streaming services.
- embraced organisations caring for young children through the provision of facilities.
- eliminated rental payments during lockdown to groups unable to meet contract obligations for the use of space for children's activities.
- committed to establishing a plan for the upgrade of the facilities serving its mission objectives.

Due to many years of low maintenance, significant building deficiencies require attention, especially in residential accommodation. Linked with the proposed maintenance plan is the evaluation of options for the sale of surplus Charity land.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **ACTIVITIES AND SERVICES UNDERTAKEN TO ADDRESS OUR CHARITY'S PRIORITIES**

The work of the Charity continues to be carried out predominantly by the members of the congregation of The Sisters of the Holy Family of Nazareth assigned to the community in Enfield, UK. The members, who are cross-generational, contribute their professional and supportive services in a variety of ways through a wide range of unpaid charitable services and activities as set out below:

#### **Charity Administration**

The administration of the Charity is undertaken by members of the Sisters of the Holy Family of Nazareth assigned to Enfield. Five Sisters serve as trustees. Three Sisters work as volunteers undertaking the management of the Charity including its administrative, financial, human relations, property and care services for the sick and elderly.

#### **Sponsorship Activities**

The Charity, holding sponsor obligations, continues to sponsor Tier 2 Religious Workers Visas and Tier 5 VISAS for Sisters appointed to undertake the work of the Charity in the UK. Currently the Charity is involved in the sponsorship of two Sisters.

#### **Care Services for the Elderly**

The Charity, houses and provides care services for the elderly members of the Sisters' community. These services include personal care, the administration of services provided by other organisations both care and specialist services, companionship, day care needs and the organisation of spiritual support. Two members of the Order provide full time support to the care of the elderly and one Sister organises care services.

#### **Education**

The education of children, youth and adults is one aspect of the work of the Charity.

(i) one Sister continues to work as a part time teacher assisting children with special needs at St. Thomas More School in Wood Green. Her expertise in teaching English to immigrant pupils facilitates the integration of these children into British society. Sister also serves as a governor at Bishop Douglass School, Finchley and is the Charity's representative on the National Catholic Safeguarding Commission, attending the scheduled meetings on a regular basis.

(ii) the Charity facilitated language studies for four Sisters to enable them to undertake educational and social services among the people in missions and the local population.

Due to the COVID-19 restrictions, the activities normally undertaken by the Charity were not offered, or severely curtailed. These include the following:

- (i) catechesis teaching of children.
- (ii) teaching in ethnic Saturday Schools, assisting immigrant children.
- (iii) conducting bereavement groups in the local parish.
- (iv) leading various parish groups in church related activities.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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**Activities continued.....**

### **Local Poor and Homeless**

In 2020 there has been a steady demand on the Charity to assist the local poor and homeless. The Charity worked to support the efforts of local groups.

### **Food Provision**

The Charity, in cooperation with local schools and other groups, distributes food to needy individuals and families during the year, especially during the Christmas season.

### **Provision of Facilities for Disadvantaged and Immigrant Groups**

Unfortunately, the Convent chapel normally open for services seven days a week had to remain closed to the public, due to the virus.

The Holy Family Polish Parish, based in Enfield (established by the Polish Mission in England) utilised the Charity's facilities for the streaming of church service.

The preparation of children for the Sacraments of the Eucharist and Confirmation was postponed or partially transmitted through the internet to abide by COVID-19 restrictions.

Members of the Syro-Maronite immigrant communities from the local and adjoining suburbs could not meet for chapel services during lockdown periods but eventually were able to make use of the chapel services in a limited way for worship and fellowship.

### **Social and Pastoral Work**

- (i) the Charity had to curtail the normal use of its premises for the use of community support groups such as Alcoholics Anonymous.
- (ii) one Sister served as a voluntary receptionist for the local church.
- (iii) outreach services were partially suspended from the Charity's legal address to provide a safe environment for its vulnerable elderly, due to COVID-19.
- (iv) support continued to be offered in the form of the provision of advice, food, shelter, and money to an ever increasing number of homeless, unemployed and migrants in the area.
- (v) for the psychologically ill, lonely or unable to help themselves, the Charity assisted by providing support, mainly by phone.

The work of the Charity has a focused impact on the individuals and groups served. The elderly, homeless and poor were supported in ways that enabled them to maintain a dignity of life. Although COVID-19 severely curtailed activities for the use of Charity facilities, the Charity's initiative of not charging rent during lockdown greatly assisted the various organisations using the premises.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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**Activities continued.....**

### **Provision of Improved Space for Meetings, Religious Services, Nursery School Activities and Gatherings**

In 2020 the Charity finalised its programme of renovation of its chapel facilities and residential facilities, and the upgrade of its rentable meeting room.

The renovation programme was finalised allowing the resumption of its full activities till the spread of the virus curtailed its use. There was a suspension of marriage preparation classes, catechetical teaching, preparation for first Holy Communion, choir rehearsals and social gatherings for local and migrant communities.

### **Roseneath House**

Roseneath House, under the auspices of the Charity, continued to offer accommodation to low wage earners. In 2020 a review was undertaken and a full assessment study prepared to specify the renovations required to upgrade Roseneath House. The facility continued to be under the management of Knights Residential to ensure the facility was fit for purpose. This transfer of administration and management was evaluated as a positive improvement for the facility. The Charity proceeded to further exam the infrastructure of the building, which was considerable in age, as part of the plan.

### **Hospitality**

The Charity supports overseas members of the Congregation through the provision of accommodation for Sisters, who come to England to study the English language. It also offers to Church personnel from other religious congregations, accommodation for short periods while conducting activities in England or attending English language courses. These activities were limited in 2020 due to COVID-19 restrictions.

### **Charity Personnel**

The Charity sponsored two new persons for work in the Charity.



# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Achievements and performance**

#### **2020 STATE OF THE CHARITY'S ACTIVITIES**

Due to the COVID-19 restrictions and preventative measures by the Charity to maintain a safe environment, all activities on the site usually undertaken by specific groups were suspended. These include the following:

#### **People Served by Ministry to Children and Youth**

- General activities for children in the Charity's Upper room
- Religious education classes which cater for up to 50 children per week
- Arabic language classes which cater for up to 10 children weekly.

A Spanish Pre-School functioned on the premises until government COVID-19 restrictions forced it to close. Nursery facilities operated for local families during school terms. Approximately 25 children participated each day during school terms, when the nursery was operational.

#### **Groups Served through the Use of Charity Facilities**

The Charity makes available rooms at a reduced rate to assist organisations caring for special needs of adults. Individuals using the Charity's chapel facilities and services for the poor numbered in excess of 30,000 in the year, of whom approximately 60% migrated to England in recent years.

Until the Charity had to close its rental facilities due to COVID-19 restrictions, the Charity's rental facilities were utilised daily Monday to Saturday and frequently on Sundays by AA groups, event planners, music directors, parish organisers and a wide variety of community focused organisations.

The Maronite and Polish communities used the chapel for their services until restrictions forced their closure.

#### **Ongoing Demand for Charity Services**

Demands for the Charity's services have continued to increase in 2019, however demand for services in 2020 almost completely ceased to prevent the spread of the coronavirus. Staff attendance was also effected due to safety reasons.

The meeting facilities in the Charity's property were underutilised approximately 88% of the time during the week, and 50% over the weekends.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **FACILITIES RENOVATION**

In 2020 the Charity undertook an inventory of its residential facilities. The second step of the phased renovation programme focused on the upgrade of main Charity building. The work undertaken focused mainly on the following:

- Replacement of doorbell with video security, accessible on all building floors
- New floors in several residential bedrooms
- Renovation of administration office and associated facilities
- Creation of ensuite bathrooms and sleeping facilities for guests, also used for quarantine
- Creation of a reception room
- Repainting of the receptionist area
- Installation of external and internal lighting at main entrance
- Installation of power, phone and data points
- Repainting of several residential rooms for the elderly

### **MANAGEMENT OF PROPERTY AND ASSETS**

#### **Holding Title to Property**

In December 2020 the Charity began the process of changing the names recorded on the Land Registry title deeds from the Charity's trustees to the Charity as an entity. This was completed in 2021.

#### **Property Agreement**

On the 28th August 2020, the Charity concluded negotiations and signed an agreement which will allow it to sell surplus land with vacant possession.

#### **Distribution of Funds**

In 2020 the Charity continued to implement its 2019 policy to distribute donations to a range of organisations that support the Charity's objectives. The majority of financial assistance allocated in 2020 focused on the poor and homeless. Considerable loss of funds occurred due to the reduction in rental income caused by the temporary closure of the nursery and chapel.

#### **Fundraising achievements**

The Charity did not undertake any new fundraising activities but continued to rely on the income of the retired/pensioned members of the Sisters' local community and from the rental income of the Charity's property. There was a loss of income which traditionally flows from donations from supportive individuals, groups and organisations.

#### **Investment performance**

Funds surplus to operating costs are invested cautiously in a combination of bank savings accounts and investment funds. Ongoing reviews are undertaken to assess performance with respect to operating costs and maximising income. While some fluctuation in low risk equity investments occur, the performance has been lower, during the lockdown period.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Financial review**

The main Charity resources in England continue to be provided by the salaries and retirement pensions of the Sisters; they are covenanted to the Charity. Given the advancing age of its membership, in 2020, the Charity examined in earnest possible alternatives going forward to replace the declining pension income.

The statement of financial activities shows that the incoming resources in 2020 decreased by £45,930 to £326,078 from £372,008 in 2019.

The total funds for the year decreased by £78,705 to £7,560,119 from £7,638,824 in 2019.

### **Reserves Policy**

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to a minimum of two years total expenditure. Based on an annual average of approximately £325,000 per annum over the last five years, this equates to £650,000. In addition due to the current uncertainty over the sale of land and property assets, the Trustees consider an additional contingency reserve of £300,000 is necessary. The Trustees consider maintaining the reserves at this level to ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. At the end of 2020 the Charity held free reserves of £566,076 (2019 - £581,145) in equity investments and £403,901 (2019 - £468,039) in the bank.

### **Investment Policy**

The Charity operates a low risk investment policy. Surplus funds are held in interest earning deposit accounts, equity funds and corporate bonds.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **RISK FACTORS**

The Trustees have re-assessed the major risks to which the Charity is exposed currently, and are working to ensure systems are in place to mitigate exposure to the major risks. The Trustees see the current risks to the Charity to be similar to those in 2019:

- (i) sustaining the Charity's mission due to the predominance of Congregation members in England being of advanced age.
- (ii) the ongoing provision of finance for the Charity's activities and renovations.
- (iii) the growing need for major renovations due to the deterioration of existing buildings which require replacement or major infrastructure refitting.
- (iv) the difficulty of replacing personnel for jobs currently undertaken by religious volunteers.

### **INITIATIVES TAKEN TO ADDRESS THE RISKS**

To address these risks the Trustees have taken the following action:

- (i) continue with efforts to recruit Congregation members to England.
- (ii) undertake financial appraisals for proposed new projects.
- (iii) expand the number of rental rooms to increase the Charity's revenue.
- (iv) continue discussions with adjoining land owners for the purpose of selling to them the surplus adjacent land of the Charity, given the local Enfield Town Plan has designated part of the Charity's land for residential development.
- (v) initiate quarterly reviews of investments with the possibility of appointing two investment advisers.
- (vi) develop a robust financial delegation policy.
- (vii) apply for additional places under the Sponsor Programme to invite additional congregational members to come to England to assist with the management of the Charity.

### **Structure, governance and management** **Nature of Governing Document**

The Charity was established by a charitable Trust Deed on 3rd April 1964. On 24 June 2015 the governing document was amended so as to redefine 'the Society' and 'the Superior' as follows:

"1(A) "the Society" means the voluntary association of women known as the Good Shepherd Province of the Sisters of the Holy Family of Nazareth and any subsequent province formed canonically by the aggregation, merger or union of the Good Shepherd Province, or any successor province, with another province or other provinces."

"1(B) "the Superior" means the person for the time being holding the office of Provincial Superior of the Society and during any vacancy in such office or when the person holding such office is unable to carry out any of the functions thereof includes the person or persons who under the canonical constitutions of the Society is or are for the time being entitled to carry out such functions and, in default of such person, the Superior General of the Congregation of the Holy Family of Nazareth."

The Trustees applied to the Charities Commission to become a body corporate under the power given in section 251 of the Charities Act 2011. On 29 September 2015 the Charities Commission granted a certificate of incorporation of the Trustees.

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Trustees who served during the year and up to the date of signature of the financial statements were:

Sr. M T O' Hora	(Resigned 31 December 2020)
Sr. J Lyons	(Resigned 7 May 2021)
Sr. M J Mikol	
Sr. G Keane	(Resigned 31 December 2020)
Sr. A Flak	
Sr. B Wiecek	(Appointed 21 June 2021)
Sr. M Stempko	(Appointed 27 January 2021)
Sr. M Czerniak	(Appointed 27 January 2021)

#### **Recruitment and appointment of Trustees**

The Charity Trustees are all members of the Congregation of the Holy Family of Nazareth which is an international organisation. As a result of amendments to the governing document enacted on 24 June 2015 which was amended so as to redefine 'the Society' and 'the Superior', the power of appointing new Trustees now rests with the Provincial Superior of the Jesus the Good Shepherd province rather than with the Superior General of the worldwide Congregation based in the Generalate House in Rome, Italy.

Since the changes enacted in 2015, the five Trustees were appointed by the Superior Provincial and her council for a term of five years. The Trustees are ultimately responsible for the achievement of the objects of the Charity, the development of policies and administration of the Charity's assets.

#### **Induction and training of Trustees**

The Trustees are appointed based on their knowledge and experience. When new Trustees are appointed, they have access to a copy of the Charity's minutes from the previous year, are encouraged to familiarise themselves with resources and courses available for Trustees and are encouraged to undertake training offered by various professional organisations. In 2020 the Trustees undertook training in the responsibilities of Trustees, such as Sponsorship and Immigration and Issues of Catholic Charities.

#### **ORGANISATIONAL STRUCTURE AND RELATIONSHIP WITH THE WIDER NETWORK**

The Congregation of the Sisters of the Holy Family of Nazareth is an international religious order divided into a number of separate provinces and regions. Since March 2003, the Sisters in England function as part of the Good Shepherd Province. It is comprised of the congregation in France and Italy, as well as England, and is administered by a Provincial Superior and her council. To reflect the new international structure, in 2015 the Charity registered a name change at the Charities Commission. Since 24 June 2015 the Charity is now officially named; The Sisters of the Holy Family of Nazareth (Good Shepherd Province).

In the Congregation's organisational chart, the international governance body of the Congregation of the Sisters of the Holy Family of Nazareth is known as the General Administration whose offices are located in Rome, Italy. This administration holds office until July 2019. Under the General Administration are the Congregation's provinces, each administered by a Provincial Superior and her Council. Jesus the Good Shepherd province, which embraces England, France and Italy has its offices in Rome, Italy. The Charity is located in Enfield, Middlesex, in the United Kingdom.

The Charity established a subsidiary company named 'House of Joseph Limited' to be the vehicle for any trading activities that may be undertaken. The company was formed on the 30th October 2015. The company has been dormant with no activity since its inception. The directors, Sr. A Flak and Sr. M J Mikol are both Trustees of the Charity.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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The Trustees' report was approved by the Board of Trustees.

*Sr. M J Mikol*

Sr. M J Mikol

Trustee

Date: *25 Oct 2021*

*Sr. M Stempko*

Sr. M Stempko

Trustee

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

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#### Opinion

We have audited the financial statements of The Sisters of the Holy Family of Nazareth (Good Shepherd Province) (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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.

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.

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

# **THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

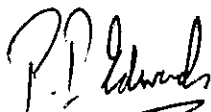
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Peter Edwards (Senior Statutory Auditor)**  
for and on behalf of Beatty & Co

26/10/21

**Chartered Certified Accountants**  
**Statutory Auditor**

Suites 3 and 4  
63-67 Athenaeum Place  
Muswell Hill  
London  
N10 3HL

Beatty & Co 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.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
<b><u>Income from:</u></b>						
Voluntary income	3	247,928	5,488	253,416	268,903	277,239
Investments	4	72,662	-	72,662	94,769	94,769
<b>Total Income</b>		<b>320,590</b>	<b>5,488</b>	<b>326,078</b>	<b>8,336</b>	<b>372,008</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	5	375,007	5,488	380,495	339,991	446,152
Net gains/(losses) on investments	10	(24,288)	-	(24,288)	58,037	58,037
Gross transfers between funds		-	-	-	93,113	-
<b>Net movement in funds</b>		<b>(78,705)</b>	<b>-</b>	<b>(78,705)</b>	<b>(4,712)</b>	<b>(16,107)</b>
Fund balances at 1 January 2020		7,638,824	-	7,638,824	4,712	7,654,931
<b>Fund balances at 31 December 2020</b>		<b>7,560,119</b>	<b>-</b>	<b>7,560,119</b>	<b>-</b>	<b>7,638,824</b>

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

All income and expenditure derive from continuing activities.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11	6,613,888		6,615,509	
Investments	12		100		100
		6,613,988		6,615,609	
<b>Current assets</b>					
Debtors	13	10,879		10,824	
Investments	14	566,076		581,145	
Cash at bank and in hand		403,901		468,039	
		980,856		1,060,008	
<b>Creditors: amounts falling due within one year</b>	15	(34,725)		(36,793)	
Net current assets			946,131		1,023,215
<b>Total assets less current liabilities</b>			7,560,119		7,638,824
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		960,119		1,038,824	
Revaluation reserve		6,600,000		6,600,000	
			7,560,119		7,638,824
			7,560,119		7,638,824

The financial statements were approved by the Trustees on 18 Oct 2021

*S. M. J. Mikol*  
Sr. M J Mikol  
Trustee

*S. M. Stempko*  
Sr. M Stempko  
Trustee

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Charity Information

The Sisters of the Holy Family of Nazareth (Good Shepherd Province) is a religious trust governed by a Trust Deed dated 3rd April 1964 and is registered with the Charity Commission, Charity Registration No. 234201. It is based at 52 London Road, Enfield, Middlesex EN2 6EN.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

#### 1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

#### 1.5 Expenditure

Expenses are included in the financial statements as they fall due. Expenses include VAT where applicable as the company cannot reclaim it.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	Nil
Fixtures, fittings & equipment	10% Reducing balance
Motor vehicles	25% Reducing balance

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

Freehold land and buildings are not depreciated on materiality grounds.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Impairment of fixed assets

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

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

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

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

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

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Voluntary Income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	11,040	4,000	15,040	67,995	8,336	76,331
Government grants	-	1,488	1,488	-	-	-
Other	236,888	-	236,888	200,908	-	200,908
	<u>247,928</u>	<u>5,488</u>	<u>253,416</u>	<u>268,903</u>	<u>8,336</u>	<u>277,239</u>

The ' Other ' donations above consists of the salaries and pensions of the Sisters which are gifted under deed of covenant.

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	63,058	79,474
Interest receivable	9,604	15,295
	<u>72,662</u>	<u>94,769</u>



# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Charitable activities

	2020 £	2019 £
Charitable expenditure	16,097	10,292
Share of support costs (see note 7)	353,028	425,090
Share of governance costs (see note 7)	11,370	10,770
	<u>380,495</u>	<u>446,152</u>
<b>Analysis by fund</b>		
Unrestricted funds	375,007	339,991
Restricted funds	5,488	106,161
	<u>380,495</u>	<u>446,152</u>

### 6 Description of charitable activities

The charitable expenditure of £16,097 above primarily consists of donations of £8,000 to the Generalate in Rome and a £4,000 donation to a Polish family which related to a restrictive donation the Charity had received for this purpose. The balance consists of other donations to local and national charitable causes.

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	15,671	-	15,671	12,898	-	12,898
Depreciation	1,622	-	1,622	1,829	-	1,829
Support of the members of congregation	335,735	-	335,735	410,363	-	410,363
Audit fees	-	5,400	5,400	-	4,800	4,800
Accountancy	-	5,970	5,970	-	5,970	5,970
	<u>353,028</u>	<u>11,370</u>	<u>364,398</u>	<u>425,090</u>	<u>10,770</u>	<u>435,860</u>
Analysed between						
Charitable activities	<u>353,028</u>	<u>11,370</u>	<u>364,398</u>	<u>425,090</u>	<u>10,770</u>	<u>435,860</u>

With the exception of the direct charitable donations and governance costs, all the costs of the Charity have been classified as support costs. These costs include the maintenance of the buildings, utilities, food, clothing, and the general health and welfare of the Sisters.

Governance costs includes accountancy and audit fees of £11,370 ( 2019 - £10,770).

### 8 Trustees

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

### 9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Chef	<u>2</u>	<u>1</u>
Employment costs	2020 £	2019 £
Wages and salaries	14,954	12,183
Social security costs	509	506
Other pension costs	208	209
	<u>15,671</u>	<u>12,898</u>

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

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	(24,288)	58,037

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2020	6,600,000	84,753	23,900	6,708,653
At 31 December 2020	6,600,000	84,753	23,900	6,708,653
<b>Depreciation and impairment</b>				
At 1 January 2020	-	69,716	23,427	93,143
Depreciation charged in the year	-	1,504	118	1,622
At 31 December 2020	-	71,220	23,545	94,765
<b>Carrying amount</b>				
At 31 December 2020	6,600,000	13,533	355	6,613,888
At 31 December 2019	6,600,000	15,036	473	6,615,509

The carrying value of land included in land and buildings comprises:

	2020	2019
	£	£
Freehold	6,600,000	6,600,000

The land and buildings were acquired many years ago and as such the historical cost is immaterial. The Trustees have estimated the value of the land and buildings at 31 December 2020 to be £6,600,000.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £- (2019 - £-).

As there is no historical cost the revaluation surplus is effectively the value of the land and buildings of £6,600,000 (2019 - £6,600,000)

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Tangible fixed assets (Continued)

### 12 Fixed asset investments

	Unlisted Investments £
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	100
<b>Carrying amount</b>	
At 31 December 2020	100
At 31 December 2019	100

On 30 October 2015 a subsidiary company called House of Joseph Ltd was formed. The company remains dormant.

### 13 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	2,834	-
Prepayments and accrued income	8,045	10,824
	10,879	10,824

### 14 Current asset investments

	2020 £	2019 £
Unlisted investments	566,076	581,145

The Trustees invested £430,000 with Epworth Investment Management in a combination of equity funds, corporate bonds and deposit funds in 2013. During the 2020 year a further £8,906 was invested. At the year end date the market value of the fund was £566,076 (2019 - £581,145). Included in the fund is £52,285 of cash deposits (2019 - £51,972).

# THE SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**15 Creditors: amounts falling due within one year**

	2020 £	2019 £
Other taxation and social security	427	396
Other creditors	22,895	7,462
Accruals and deferred income	11,403	28,935
	<u>34,725</u>	<u>36,793</u>

**16 Government grants**

The government grant income of £1,488 relates to a furlough claim under the Coronavirus Job Retention Scheme in respect of one employee during the year. As it was for a specific purpose it has been shown under restricted funds.

**17 Related party transactions**

There were no disclosable related party transactions during the year (2019 - none).