

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	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)
Charlty number	234201	
Princlpal address	52 London Road Enfield Middlesex EN2 6EN	
Audltor	Beatty & Co Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL	
Bankers	Barclays Bank plc Enfield Branch 20 The Town Enfield Middlesex EN2 6LY	
	Metro Bank 1 Southampton Row London WC1B 5HA	
Sollclltors	Bates Wells 10 Queen Street Place London EC4R 1BE	
	Stone King LLP 13 Queen Square Bath BA1 2HJ	

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 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (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: smjm@csfn.cc

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 continued 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.

2021 Priorities the Charity Aimed 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) Assisting independent as well as church groups and organisations that provide various forms of support especially to immigrants and services for young children.
- (iii) Providing care and housing for the elderly.
- (iv) Contributing to the educational and cultural advancement of children and language proficiency for migrants.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Strategies for Achieving Objectives

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

The Charity focussed on increasing its interaction with the local community, organisations, and individuals to return to levels prevalent pre COVID-19.

Severe limitations were placed on the Charity in terms of interaction during the COVID-19 lockdown periods.

The Trustees annual review of the Charity's services in 2020/2021 resulted in the need to:

- Maintain care services and accommodation for the elderly.
- Provide services to the local community, families, and individuals in need.
- Supply facilities for church services for the Syro-Maronite community.
- Provide food and financial support for needy families and individuals.
- Collaborate with organisations caring for young children through the provision of facilities and support.
- Establish a plan for the upgrade of the facilities serving its missions objectives.

The ageing of buildings in the Charity's property portfolio required an assessment of their feasibility of usage. A process of review of the Charity's properties commenced with the aim of assessing the assets and their "fitness for purpose".

Linked with a proposed maintenance plan is the evaluation of options for the sale or development of surplus Charity land.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

ACTIVITIES AND SERVICES UNDERTAKEN TO ADDRESS OUR CHARITY'S PRIORITIES

The work of the Charity is 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 and cross-cultural, 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:

Administration of the Charity

The Chair of the Trustees as well as the Trustees, are appointed from members of the Sisters of the Holy Family of Nazareth - Good Shepherd Province. Three members continue to offer direct voluntary service in the management of the Charity. One Sister serves as the Chair of Trustees, a second as Coordinator of the Local Community and the third as Accounts Manager.

The Coordinator of the Local Community organises all of the activities undertaken on the Charity's properties and is the liaison between the Charity and various organisations and individuals benefiting from the Charity's services. The range of beneficiaries includes the aged, immigrants, church groups, a children's nursery, and local organisations, community groups and individuals.

A Listening Presence

The members of the Sisters' community engage in listening sessions for the confused and lonely and provide support for those struggling with life's challenges.

The convent community, on a regular basis, allow people to join them for prayer and social interaction. On a weekly basis the Charity organises services such as Mass, Adoration of the Blessed Sacrament and other devotions, permitting others to participate in the Sisters' activities, when no COVID-19 restrictions were present.

Sponsorship Activities

The Charity is a sponsor for VISA candidates for members in the Sisters of the Holy Family of Nazareth. As such, it undertakes sponsor obligations, continuing to sponsor VISAS Tier 2 Religious Workers Visas and Tier 5 VISAS for Sisters appointed to undertake the work of the Charity in the UK and beyond. In 2021 the Charity was involved in the sponsorship of two Sisters at Tier 2 and two in Tier 5 levels.

Care Services for the Elderly

The Charity accommodates and provides care services for the elderly members of the Sisters' community. These services include spiritual care, social interaction, personal care, support and the facilitation of services provided by the other organisations.

Two members of the Order provide full time support to the care of the elderly and one Sister organises care services drawn from the wider community.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Activities continued.....

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 for safeguarding on bodies serving the needs of religious orders.

(ii) The Charity organised language studies for three Sisters to enable them to gain a proficiency in English which would enable them to undertake pastoral, social and educational services among the people in mission countries and the local population.

(iii) Room and board were provided for three persons undertaking language studies which will equip them to undertake educational, pastoral and social services among the people in mission lands and Australia.

(iv) Classes in Arabic language learning were organised on the premises, when COVID-19 restrictions did not apply.

(v) One Sister commenced employment in a children's nursery.

(vi) One Sister took up responsibilities working with an ethnic children's choir, enabling cultural and educational opportunities for migrants.

(vii) One Sister was employed in a pre-school nursery.

Food Provision

The Charity, in co-operation with local schools and other groups, recommenced the distribution of food to needy individuals and families, as the lifting of COVID-19 restrictions permitted.

Social and Pastoral Work

(i) One Sister commenced employment as a pastoral minister in St Mary's school.

(ii) One Sister co-ordinated a Social and Bereavement Group and a Prayer Group which meets bi-weekly in the local parish, although its work was severely curtailed due to COVID-19.

(iii) Ongoing outreach assistance, available from the Charity's legal address, provided support to neighbours, volunteers, the homeless, unemployed and migrants, through the services of the resident Sisters.

(iv) The use of a variety of rooms in the Charity's facilities were curtailed due to COVID-19 restrictions.

(v) Support was offered in the form of the provision of care, advice, food, shelter, and money to an ever-increasing number of homeless, unemployed and migrants in the area. While there is a noticeable increase in numbers of adults suffering from a spectrum of mental illnesses, seeking assistance, COVID-19 prevented the Charity from establishing frequent contact with these persons. Support provided was mainly by phone.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Activities continued.....

Overseas Visitors and Hospitality

On a regular basis, the Charity provides room and board for overseas members of the Sisters of the Holy Family of Nazareth, and other religious congregations who come to England to study English, some of whom subsequently serve in foreign missions. In 2021, the Charity provided room and board for two persons, one in preparation for work in Ghana and the other, a teacher who came to England for advanced English study.

Provision of Improved Space for Meetings, Community Services, Nursery School Activities and Gatherings

In 2021 the Charity planned for a renovation of the Roseneath Hostel to bring the building to a higher level of compliance for the admission of residents. The building was cleared of tenants, however, within a short time other building problems emerged, which required a considerable sum to repair. The Trustees commissioned a further study on the condition of the building to provide the Trustees with a more comprehensive view of the renovations required.

In addition, the Charity provided space for a nursery school, with rent free periods when COVID-19 restrictions did not allow such services to open.

Provision of Facilities for Disadvantages and Immigrant Groups

Unfortunately, the Charity's properties, including the chapel normally accessible to the public for prayer had to remain closed to the public for extended periods, due to COVID-19.

The Holy Family Polish Parish, which had rented space for its operation based in Enfield (established by the Polish Mission in England) moved its operation to a larger location. Its relocation provided additional loss of opportunities to engage with a migrant community and caused a loss of financial support.

Members of the Syro-Maronite immigrant communities from the local and adjoining suburbs could not meet during lockdown periods but eventually were able to make use of the Charity's facilities in a limited way.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

2021 STATE OF THE CHARITY'S ACTIVITIES AND FACILITIES

COVID-19 limitations on Charity activities

Due to the restrictions of COVID-19, a wider range of activities normally undertaken by the Charity were not offered, or had to be severely curtailed. These included the following:

- (i) The admission of locals to the Sisters' chapel services.
- (ii) The provision of classes to immigrant children.
- (iii) The conducting of Social and Bereavement Groups in the local parish.
- (iv) The leading and supporting of ethnic children's choirs.
- (v) The lending of facilities to groups and organisations.
- (vi) The visitation of the aged and ill in nursing homes.
- (vii) General activities for children in the Charity's upper room.
- (viii) The curtailment of Arabic language classes which cater for up to ten children weekly.
- (ix) The lack of housing for Alcoholics Anonymous meetings.

People served by the Nursery

A Spanish pre-school functioned on the premises until government restrictions linked with COVID-19 forced it to suspend activity. Nursery facilities operated for local families when permitted during school terms. Approximately twenty children participated each day during school terms, when the nursery was operational. About 10,000 nursery related persons annually made use of the Charity's facilities.

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 1,500 persons annually.

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 Charity's facilities until COVID-19 restrictions forced lockdowns.

Ongoing Demand for Charity Services

Demands for the Charity's services have continued to increase in 2021, however due to the vulnerability of the elderly housed on the Charity's property, caution demanded a reduction of services to the public.

Services in 2021 almost completely ceased to ensure safety during the spread of COVID-19. Staff attendance was also affected due to safety reasons.

During the peak periods of the pandemic, the meeting facilities in the Charity's property were underutilised. Usage lower by approximately 75% during the week, and over the weekends.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

FACILITIES RENOVATION

In 2021 the Charity undertook an inventory of its residential facilities. Minor renovations were centred in the offices of the Charity. Renovations included the following:

- New floors in several rooms used by the Charity's administration.
- Relocation of the Charity's archives and associated facilities.
- Repainting of offices used by the Charity.
- Installation of additional power points.

MANAGEMENT OF PROPERTY AND ASSETS

Holding Title to Property

In December, the Charity began the process of changing the names of the Charity's trustees, who in turn hold the title to property belonging to the Charity. It is anticipated that further changes will be required in 2022.

Property Agreement

In 2020, the Charity concluded the negotiations to establish an agreement enabling the Charity to rent or sell its property. An agreement was signed which enables the Charity to sell its land with vacant possession. This paved the way for the Charity to sign an agreement with the Roman Catholic Diocese of Westminster for the use of the Charity's land which was extended in 2021.

Distribution of Funds

In 2021, the Charity continued to implement its policy to distribute donations to a range of organisations that support the Charity's objectives. The majority of financial assistance allocated in 2021 focused on the poor and homeless. Considerable loss of funds occurred due to the lack of rental income for the use of the Charity's premises due to the close down of the nursery and other activities. The loss of income was due to the Charity's outreach policy, not to charge for the use of Charity premises when tenants were not permitted to carry out their activities due to COVID-19 restrictions.

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. The value of the investment funds recovered well during the year rising from £566,076 at 31/12/2020 to £642,015 at 31/12/2021. The funds had dropped from £581,145 at 31/12/2019.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021, 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 2021 decreased by £64,994 to £261,084 from £326,078 in 2020.

The total funds for the year increased by £60,198 to £7,620,317 from £7,560,119 in 2020.

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 £340,000 per annum over the last five years, this equates to £680,000. 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 2021 the Charity held free reserves of £642,015 (2020 - £566,076) in equity investments and £376,037 (2020 - £403,901) in the bank and cash reserves.

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 2021

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 recent years:

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

INITIATIVES TAKEN TO ADDRESS THE RISKS

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

- (i) Carried out consultations regarding the use or alienation of properties belonging to the Charity.
- (ii) Continued with efforts to recruit Congregation members to England.
- (iii) Ensured efforts continue to maintain Certificates of Sponsorship (COS) placements.
- (iv) Continued to carefully monitor changes in the Charity's financial profile seeking new options for fundraising.
- (v) Initiated quarterly reviews of investments with the possibility of appointing an investment adviser.
- (vi) Committed to develop a robust financial delegation policy.
- (vii) Applied for additional places under the Sponsor Programme to invite additional Congregational members to come to England to assist with the management of the Charity.
- (viii) Carried out consultations regarding future property needs.
- (ix) Examined the possibility of expanding the number of rental rooms to increase the Charity's revenue.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

Nature of Governing Document

The Charity was established by a charitable Trust Deed on 3rd April 1984. 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 Trustees who served during the year and up to the date of signature of the financial statements were:

Sr. J Lyons	(Resigned 7 May 2021)
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)

Recruitment and appointment of Trustees

Trustees are appointed by the Provincial Superior of Jesus the Good Shepherd Province.

The Charity Trustees are all members of the Congregation of the Holy Family of Nazareth. 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 2021 the Trustees could not undertake training due to the restrictions of COVID-19. They took opportunities for personal study to be updated on Charity procedures.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

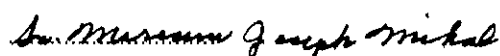
ORGANISATIONAL STRUCTURE AND RELATIONSHIP WITH THE WIDER NETWORK

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).

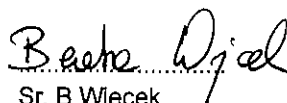
In the Congregation's organisational chart, the international governance body of the Congregation of the Sisters of the Holy Family of Nazareth is known as the General Administration whose offices are located in Rome, Italy. This administration holds office until July 2028. Under the General Administration 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 Trustees' report was approved by the Board of Trustees.



Sr. M J Mikol
Trustee



Sr. B Wiecek
Trustee

Date: 27 OCTOBER 2022

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

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)

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 2021 which comprise the statement of financial activities, the balance sheet and 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 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 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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)

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:

Based on our understanding of the Charity, we identified the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that are most likely to have a material impact on the financial statements such as health and safety law, employment law and compliance with the Financial Reporting Standard FRS102.

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)

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:

- Enquiry of management and the Board of Trustees, including consideration of known or suspected instances of non-compliance with laws and regulations, accidents in the workplace and fraud;
- Questioning judgements and assumptions made by management in their significant accounting estimates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Evaluating the risk of management override of controls and evaluating the rationale of significant transactions outside the normal course of activities.

There are inherent limitations in the audit procedures described above. The more removed the laws and regulations are from the financial transactions, the less likely it is that we would become aware of non-compliance. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

28/10/22

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 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>					
Voluntary income	3	231,345	247,928	5,488	253,416
Investments	4	29,739	72,662	-	72,662
Total income		261,084	320,590	5,488	326,078
<u>Expenditure on:</u>					
Charitable activities	5	276,246	375,007	5,488	380,495
Other	10	573	-	-	-
Total expenditure		276,819	375,007	5,488	380,495
Net gains/(losses) on investments	11	75,933	(24,288)	-	(24,288)
Net movement in funds		60,198	(78,705)	-	(78,705)
Fund balances at 1 January 2021		7,560,119	7,638,824	-	7,638,824
Fund balances at 31 December 2021		7,620,317	7,560,119	-	7,560,119

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)

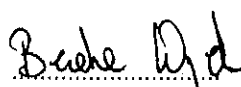
BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	6,614,094		6,613,888	
Investments	13	100		100	
		<u>6,614,194</u>		<u>6,613,988</u>	
Current assets					
Debtors	14	13,775		10,879	
Investments	15	642,015		566,076	
Cash at bank and In hand		376,037		403,901	
		<u>1,031,827</u>		<u>980,856</u>	
Creditors: amounts falling due within one year	16	(25,704)		(34,725)	
Net current assets		<u>1,006,123</u>		<u>946,131</u>	
Total assets less current liabilities		<u><u>7,620,317</u></u>		<u><u>7,560,119</u></u>	
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,020,317		960,119	
Revaluation reserve		6,600,000		6,600,000	
		<u>7,620,317</u>		<u>7,560,119</u>	
		<u><u>7,620,317</u></u>		<u><u>7,560,119</u></u>	

The financial statements were approved by the Trustees on 27 OCTOBER 2022


Sr. M J Mikol
Trustee


Sr. B Wiecek
Trustee

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 2021

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 2021

3 Voluntary Income

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Donations and gifts	4,890	11,040	4,000	15,040
Government grants	-	-	1,488	1,488
Other	226,455	236,888	-	236,888
	<u>231,345</u>	<u>247,928</u>	<u>5,488</u>	<u>253,416</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
	2021 £	2020 £
Rental income	29,716	63,058
Interest receivable	23	9,604
	<u>29,739</u>	<u>72,662</u>

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

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

5 Charitable activities

	2021 £	2020 £
Charitable expenditure	5,361	16,097
Share of support costs (see note 7)	258,645	353,028
Share of governance costs (see note 7)	12,240	11,370
	<u>276,246</u>	<u>380,495</u>
Analysis by fund		
Unrestricted funds	276,246	375,007
Restricted funds	-	5,488
	<u>276,246</u>	<u>380,495</u>

6 Description of charitable activities

The charitable expenditure of £5,361 above primarily consists of donations to Poland and to visiting Sisters.

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

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

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	25,038	-	25,038	15,671	-	15,671
Depreciation	1,625	-	1,625	1,622	-	1,622
Support of the members of congregation	231,982	-	231,982	335,735	-	335,735
Audit fees	-	5,820	5,820	-	5,400	5,400
Accountancy	-	6,420	6,420	-	5,970	5,970
	<u>258,645</u>	<u>12,240</u>	<u>270,885</u>	<u>353,028</u>	<u>11,370</u>	<u>364,398</u>
Analysed between Charitable activities	<u>258,645</u>	<u>12,240</u>	<u>270,885</u>	<u>353,028</u>	<u>11,370</u>	<u>364,398</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 £12,240 (2020 - £11,370).

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:

	2021 Number	2020 Number
Kitchen staff	<u>2</u>	<u>2</u>
Employment costs	2021 £	2020 £
Wages and salaries	24,653	14,954
Social security costs	-	509
Other pension costs	385	208
	<u>25,038</u>	<u>15,671</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 2021

10 Other

	Unrestricted funds	Total
	2021	£ 2020
Net loss on disposal of tangible fixed assets	573	-
	<u>573</u>	<u>-</u>

11 Net gains/(losses) on Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	75,933	(24,288)
	<u>75,933</u>	<u>(24,288)</u>

12 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	6,600,000	84,753	23,900	6,708,653
Additions	-	2,405	-	2,405
Disposals	-	(1,744)	-	(1,744)
At 31 December 2021	<u>6,600,000</u>	<u>85,414</u>	<u>23,900</u>	<u>6,709,314</u>
Depreciation and impairment				
At 1 January 2021	-	71,220	23,545	94,765
Depreciation charged in the year	-	1,537	89	1,626
Eliminated in respect of disposals	-	(1,171)	-	(1,171)
At 31 December 2021	<u>-</u>	<u>71,586</u>	<u>23,634</u>	<u>95,220</u>
Carrying amount				
At 31 December 2021	<u>6,600,000</u>	<u>13,828</u>	<u>266</u>	<u>6,614,094</u>
At 31 December 2020	<u>6,600,000</u>	<u>13,533</u>	<u>355</u>	<u>6,613,888</u>

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

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

12 Tangible fixed assets (Continued)

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

	2021 £	2020 £
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 2021 to be £6,600,000.

At 31 December 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £- (2020 - £-).

As there is no historical cost the revaluation surplus is effectively the value of the land and buildings of £6,600,000 (2020 - £6,600,000)

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021 & 31 December 2021	100
Carrying amount	
At 31 December 2021	100
At 31 December 2020	100

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

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	4,091	2,834
Prepayments and accrued income	9,684	8,045
	13,775	10,879

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

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

15 Current asset Investments

	2021 £	2020 £
Unlisted investments	642,015	566,076

In 2013 the Trustees invested £430,000 with Epworth Investment Management in a combination of equity funds, corporate bonds and deposit funds. During the 2021 year the remaining funds held in income unit funds were switched to accumulation unit funds. All the income generated is now accumulated in the value of the fund so there is no longer a separately identifiable income return. At the year end date the market value of the fund was £642,015 (2020 - £566,076). Included in the fund is £52,291 of cash deposits (2020 - £52,285).

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	171	427
Other creditors	8,122	22,895
Accruals and deferred income	17,411	11,403
	25,704	34,725

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).