

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sr. M J Mikol Sr. B Wiecek Sr. M Czerniak Sr. S Tupaj Sr. R Lofek	(Appointed 27 April 2023) (Appointed 27 April 2023)
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Charity number	234201
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Principal address	52 London Road Enfield Middlesex EN2 6EN
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Auditor	AEL Markhams Ltd 201 Haverstock Hill Belsize Park London NW3 4QG
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Bankers	Barclays Bank plc Enfield Branch 20 The Town Enfield Middlesex EN2 6LY Metro Bank 1 Southampton Row London WC1B 5HA
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Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE Stone King LLP 13 Queen Square Bath BA1 2HJ
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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 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

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

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 of The Sisters of the Holy Family of Nazareth (Good Shepherd Province) in accordance with its mission. Such purposes include the advancement of the Roman Catholic religion, the advancement of education, the witness to Christian values, caring for families, the elderly and the needy, and the promotion of justice and peace.

2022 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 and poverty.
- (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.
- (v) Providing food for the homeless.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Strategies for Achieving Objectives

The Trustees regularly 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 and to the current needs of the local communities and individuals. The Charity has increased its contacts with church related groups and individuals, especially those in need.

The Charity focussed on increasing its interaction with families, organisations, and individuals while being mindful of precautions required due to continuing COVID-19 infections.

The Trustees annual review of the Charity's services in 2021/22 identified community needs similar to those expressed in 2020/21. The Charity has been committed to:

- Maintain care services and accommodation for the elderly.
- Provide support services to the aged and bereaved.
- Offer to the local community, families, and individuals, encouragement, meals and financial assistance.
- Supply facilities for church services for the Syro-Maronite community.
- Provide food and financial support for needy families and individuals.
- Collaborate with schools through the provision of facilities and support.
- Continue to plan for the upgrade of the Charity's facilities serving its mission objectives.

Property issues continued to be a major source of concern. The deterioration of buildings in the Charity's property portfolio requires an assessment of their serviceability. A process of review of the Charity's properties continues, with the aim of assessing the assets and their "fitness for purpose".

There is a pressing need for the Charity to continue to assess options for the sale or redevelopment of the Charity's property portfolio. Given the continuing cost of living crisis, the Charity is examining options for supplementing funds and the possible transfer of funds from its savings portfolio to cover operating expenses.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

CHARITY ADMINISTRATION AND PERSONNEL

The portrait of the work of the Charity changed somewhat dramatically in 2022. Given the work of the Charity heavily depends on the members of the Congregation, the death of four members of the community in 2022 impacted considerably on its capacity to retain the range and extent of its services. 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. The administrative work of the Charity relies on the appointment of three members of the Congregation to administer the business and management of the Charity.

In 2022, the structure of administration remained the same, that being; One Sister serves as the Chair of Trustees, a second as Coordinator of the Local Community and the third as Accounts Manager. During 2022 the Charity faced a challenge due to the transition of personnel in the position of Coordinator as the incumbent moved overseas. There was an Acting Coordinator for nine months prior to filling the position. The Charity had also faced the challenge of replacing the Accounts Manager in the previous year as the incumbent required time to study and gain language proficiency. The turnover of personnel impacted on the Charity's capacity to organise all of the activities undertaken on the Charity's properties and on its ability to liaise with various organisations and individuals benefiting from the Charity's services.

Charity Personnel

In 2022 the Charity lost through death, three of its five retiring Trustees. With their departure the Charity suffered the loss of wisdom gained through their life experience and their familiarisation of the needs of the local area. All three Trustees served the Charity over many years, always willing to assist new Trustees.

Since Brexit, the Charity faces additional challenges in maintaining its staff, as immigration requirements have become more complex, making planning more unpredictable. During the year the Congregational Provincial appointed one member of the Order to join the Enfield community to work in the interests of the Charity.

Sponsorship Activities

The Charity is a VISA sponsor for members in the Sisters of the Holy Family of Nazareth coming to the UK. The Charity supplies an Immigration Coordinator who undertakes sponsor obligations for Tier 2 and Tier 5 Religious Workers for Sisters appointed to undertake the work of the Charity in the UK. In 2022 the Charity was involved in the sponsorship of two Sisters at Tier 2 and the resettlement of one Sister coming from the European Union.

Care Services for the Elderly

The Charity is responsible for the care, accommodates and provision of 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 2022

Activities continued.....

Education

The support for organisations offering education of children, youth and adults is a key aspect of the work of the Charity.

(i) One Sister continues to work as a part-time teacher, assisting children with special needs, thereby enabling 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 newcomers to enable them to gain a proficiency in English which would enable them to undertake pastoral, social and educational services among the local population.

(iii) The Charity provided online and on-site music classes for migrants, including learning new instruments, voice projection and conducting.

(iv) One Sister teaches music in Our Lady's Catholic Girls School and assists with concert preparations.

(v) The Charity assisted with the payment for room and board for persons undertaking language studies, which will equip them to undertake educational, pastoral and social services among the poor.

(vi) Several Sisters assisted with an ethnic children's choir, enabling cultural and educational opportunities for migrants.

Food Provision

The Charity supported the local food bank activities organised by schools and other groups, including the distribution of food to needy individuals and families.

Social and Pastoral Work

(i) One Sister continued her 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.

(iii) The Charity's headquarters serves as a location for outreach to the local community offering a listening and supportive service to anyone availing of its services including neighbours, volunteers, the homeless, unemployed and migrants, through the services of the resident Sisters.

(iv) The Charity provides ongoing outreach assistance, generally available from the Charity's headquarters through the use of a variety of rooms in the Charity's facilities.

(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.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 and the general public, especially migrants who come to England to resolve family problems and establish themselves financially.

Provision of Improved Space for Meetings, Community Services and Gatherings

In 2022 the Charity continued its review of its properties and their uses. Given the further deterioration of Roseneath House, the Charity intends to carry out a more comprehensive study of its operations. In light of this decision, the Roseneath property remains unoccupied.

Provision of Facilities for Disadvantages and immigrant Groups

Following the lifting of COVID-19 restrictions, the Charity's properties, including the chapel, were reopened for public use. Members of the Syro-Maronite immigrant communities from the local and adjoining suburbs were again able to make use of the Charity's facilities.

Listening Presence

Following the lifting of COVID-19 restrictions, the members of the Sisters' community re-engaged in listening sessions for the confused and lonely and to 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.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

2022 STATE OF THE CHARITY'S ACTIVITIES AND FACILITIES

Lifting of the COVID-19 limitations on Charity activities

A wide range of activities normally undertaken by the Charity resumed after the lifting of COVID-19 restrictions. 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 choir activities.
- (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 restoration of visits to provide listening opportunities for the distressed.
- (ix) The provision of temporary accommodation for those in need.

People served by the Nursery

A Spanish pre-school functions on the premises. Nursery facilities operate for local families during school terms. Approximately twenty children participate each day in the two sessions during school terms.

Groups Served through the Use of Charity Facilities

The Charity makes rooms available at a reduced rate to assist organisations caring for special needs of adults. Individuals using the Charity's chapel facilities were in excess of 3,000 persons annually.

The Charity's rental rooms were utilised daily Monday to Saturday and occasionally on Sundays by children, music directors, parish organisers, the Syro-Maronite community and a wide variety of community focused organisations.

Ongoing Demand for Charity Services

Demands for the Charity's services have continued to increase in 2022, however due to the vulnerability of the elderly housed on the Charity's property, caution needs to be exercised regarding the frequency and expansion of activities.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FACILITIES RENOVATION

In 2022 the Charity undertook work on the convent premises as follows:

- Room renovations to enlarge and install an ensuite bathroom.
- Refurbish ground level visitor's room.
- Repainting of several bedrooms.

MANAGEMENT OF PROPERTY AND ASSETS

Holding Title to Property

The Charity updated its list of Trustees, who in turn hold the title to property belonging to the Charity.

Accumulation and Distribution of Funds

In 2022, 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 2022 as in 2021, focused on the poor and homeless. The loss of Charity income was due partially 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. In addition, the death of four members impacted on the Charity's income which came from their pensions.

Fundraising Profile

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. The closure of Roseneath House, due initially to compliance matters, shut off rental income. In addition, it transferred the payment to the local Council of tax bills from former residents.

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 fell from £642,015 at 31/12/2021 to £576,996 at 31/12/2022.

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 2022, the Charity examined in earnest possible alternatives going forward to replace the declining pension income.

The statement of financial activities shows that incoming resources in 2022 increased by £20,829 to £281,913 from £261,084 in 2021.

The total funds for the year decreased by £118,409 to £7,501,908 from £7,620,317 in 2021.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 £370,000 per annum over the last five years, this equates to £740,000. 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 2022 the Charity held free reserves of £576,995 (2021 - £642,015) in equity investments and £301,720 (2021 - £376,037) 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.

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.
- (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 maintenance of the existing level of investment due to diminishing pension income, increased cost of living and diminishing capacity to raise funds.
- (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 entails significant costs.

INITIATIVES TAKEN TO ADDRESS THE RISKS

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

- (i) Exploring the possibility of alienating properties not producing income for the Charity.
- (ii) Continuing with efforts to recruit Congregation members to England.
- (iii) Ensuring efforts continue to maintain Certificates of Sponsorship (COS) placements.
- (iv) Continuing to carefully monitor changes in the Charity's financial profile while seeking new options for increasing income and reducing costs.
- (v) Scheduling more frequent interaction with investment advisers.
- (vi) Carrying out consultations regarding future property needs and options to increase income.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Three of our retired Trustees passed away during the year:

Sr. Mary Teresa O' Hora
Sr. Julia Lyons
Sr. Mary Ellen Keane

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

Sr. M J Mikol	
Sr. A Flak	(Resigned 27 April 2023)
Sr. B Wiecek	
Sr. M Stempko	(Resigned 27 April 2023)
Sr. M Czerniak	
Sr. S Tupaj	(Appointed 27 April 2023)
Sr. R Lofek	(Appointed 27 April 2023)

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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.

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. The Province 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 SISTERS OF THE HOLY FAMILY OF NAZARETH (GOOD SHEPHERD PROVINCE)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Sr M J Mikol
Sr M J Mikol (Oct 30, 2023 14:28 GMT)

Sr. M J Mikol
Trustee

Date: 21st October 2023

Sr. S. Tupaj
Sr. S Tupaj
Trustee

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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.



Marc Bennett (Senior Statutory Auditor)
for and on behalf of AEL Markhams Ltd

.....30th October 2023.....

Chartered Accountants
Statutory Auditor

201 Haverstock Hill
Belsize Park
London
NW3 4QG

AEL Markhams Ltd 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 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	2021 £
<u>Income from:</u>					
Voluntary income	3	223,974	30,000	253,974	231,345
Investments	4	27,939	-	27,939	29,739
Total income		251,913	30,000	281,913	261,084
<u>Expenditure on:</u>					
Charitable activities	5	328,107	30,000	358,107	276,246
Other	10	-	-	-	573
Total expenditure		328,107	30,000	358,107	276,819
Net gains/(losses) on investments	11	(65,625)	-	(65,625)	75,933
Net (outgoing)/incoming resources		(141,819)	-	(141,819)	60,198
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets		20,000	-	20,000	-
Net movement in funds		(121,819)	-	(121,819)	60,198
Fund balances at 1 January 2022		7,620,317	-	7,620,317	7,560,119
Fund balances at 31 December 2022		7,498,498	-	7,498,498	7,620,317

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	6,634,003		6,614,094	
Investments	14	100		100	
		6,634,103		6,614,194	
Current assets					
Debtors	15	13,965		13,775	
Investments	16	576,995		642,015	
Cash at bank and in hand		301,720		376,037	
		892,680		1,031,827	
Creditors: amounts falling due within one year	17	(28,285)		(25,704)	
Net current assets		864,395		1,006,123	
Total assets less current liabilities		7,498,498		7,620,317	
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		878,498		1,020,317	
Revaluation reserve		6,620,000		6,600,000	
		7,498,498		7,620,317	
		7,498,498		7,620,317	

The financial statements were approved by the Trustees on 21st October 2023

Sr M J Mikol
Sr M J Mikol (Oct 30, 2023 14:28 GMT)

Sr. M J Mikol
Trustee

Sr S Tupaj
Sr. S Tupaj
Trustee

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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%- 20% 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 2022

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 2022

3 Voluntary income

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	5,937	30,000	35,937	4,890
Other	218,037	-	218,037	226,455
	<u>218,037</u>	<u>-</u>	<u>218,037</u>	<u>226,455</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
	2022 £	2021 £
Rental income	27,231	29,716
Interest receivable	708	23
	<u>27,939</u>	<u>29,739</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities

	2022 £	2021 £
Charitable expenditure	9,637	5,361
Share of support costs (see note 7)	335,270	258,645
Share of governance costs (see note 7)	13,200	12,240
	<u>358,107</u>	<u>276,246</u>
Analysis by fund		
Unrestricted funds	328,107	276,246
Restricted funds	30,000	-
	<u>358,107</u>	<u>276,246</u>

6 Description of charitable activities

The charitable expenditure of £9,637 above consists of contributions to the Generalate in Rome of £8,000 and other small donations to local causes.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	25,446	-	25,446	25,038	-	25,038
Depreciation	2,120	-	2,120	1,625	-	1,625
Support of the members of congregation	307,704	-	307,704	231,982	-	231,982
Audit fees	-	6,000	6,000	-	5,820	5,820
Accountancy	-	7,200	7,200	-	6,420	6,420
	<u>335,270</u>	<u>13,200</u>	<u>348,470</u>	<u>258,645</u>	<u>12,240</u>	<u>270,885</u>
Analysed between Charitable activities	<u>335,270</u>	<u>13,200</u>	<u>348,470</u>	<u>258,645</u>	<u>12,240</u>	<u>270,885</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 £13,200 (2021 - £12,240).

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:

	2022 Number	2021 Number
Kitchen staff	<u>2</u>	<u>2</u>
Employment costs	2022 £	2021 £
Wages and salaries	25,068	24,653
Other pension costs	378	385
	<u>25,446</u>	<u>25,038</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 2022

10 Other

	Total £ 2022	Unrestricted funds 2021
Net loss on disposal of tangible fixed assets	-	573
	-	573

11 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	(65,625)	75,933

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2022	6,600,000	85,414	23,900	6,709,314
Additions	-	2,028	-	2,028
Revaluation	20,000	-	-	20,000
At 31 December 2022	6,620,000	87,442	23,900	6,731,342
Depreciation and impairment				
At 1 January 2022	-	71,585	23,634	95,219
Depreciation charged in the year	-	2,053	67	2,120
At 31 December 2022	-	73,638	23,701	97,339
Carrying amount				
At 31 December 2022	6,620,000	13,804	199	6,634,003
At 31 December 2021	6,600,000	13,828	266	6,614,094

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets (Continued)

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

	2022 £	2021 £
Freehold	6,620,000	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 2022 to be £6,620,000.

At 31 December 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £- (2021 - £-).

As there is no historical cost the revaluation surplus is effectively the value of the land and buildings of £6,620,000 (2021 - £6,620,000)

14 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2022 & 31 December 2022	100
Carrying amount	
At 31 December 2022	100
At 31 December 2021	100

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

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	2,127	4,091
Prepayments and accrued income	11,838	9,684
	13,965	13,775

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Current asset investments

	2022 £	2021 £
Unlisted investments	576,995	642,015

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 £576,995 (2021 - £642,015). Included in the fund is £52,896 of cash deposits (2021 - £52,291).

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	179	171
Other creditors	9,740	8,122
Accruals and deferred income	18,366	17,411
	28,285	25,704

18 Related party transactions

Transactions with related parties

During the year the Charity contributed £8,000 to the Provincial Generalate in Rome.