

**The Congregation
of the Little
Sisters
of the Poor
Charitable Trust**

Annual Report and Accounts

31 December 2020

Charity Registration Number
234434

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Reference and administrative information

Trustee	<p>The Trustee of the charity is The Congregation of the Little Sisters of the Poor Trustee Company Limited, a limited liability company (Company Registration Number 00867949).</p> <p>The directors of the corporate trustee during the year were:</p> <p>Julia Culliton (Appointed 24 September 2020) Caroline Lloyd (Resigned 24 September 2020) Margaret Ashton Isabella Donnelly (Resigned 30 September 2020) Deirdre McCormack Josephine Storey Kathleen Taylor (Appointed 30 September 2020) Mary Ward (Appointed 30 September 2020)</p>
Provincial Superior	Julia Culliton
Provincial Bursar	Margaret Ashton
Principal office	St Peter's Home 2a Meadow Road South Lambeth London SW8 1QH
Telephone	020 7735 0788
Fax	020 7582 0973
Charity registration number	234434
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Royal Bank of Scotland plc 62/63 Threadneedle Street London EC2R 8LA

Reference and administrative information

Principal solicitors	Hunters Law LLP 9 New Square Lincoln's Inn London WC2A 3QN
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The directors of the corporate trustee (hereafter referred to as the trustees) present their statutory report together with the accounts of The Congregation of the Little Sisters of the Poor Charitable Trust (the "charity") for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 31 to 34 of the attached accounts 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 United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

The Congregation of the Little Sisters of the Poor (the "Congregation") is an international Roman Catholic religious congregation with 1,839 Little Sisters worldwide, including 13 novices and 21 women in formation at 31 December 2021. During the year 84 Little Sisters died, 17 of whom were suffering from Covid-19. The total number of Jeanne Jugan Associates this year is not clear because, given the circumstances, some of them have not been able to renew their promise.

The Congregation was founded in Brittany, France by Jeanne Jugan, who took into her home a poor, blind elderly lady and gave up her own bed. From this gesture the Congregation spread throughout the world. The Generalate of the Congregation is located in Brittany, France and the Congregation is divided into 17 Provinces across the world.

The consolidated accounts accompanying this report include the accounts of the charitable trust on which the assets of the Congregation in England are held.

MISSION

The object of the English Province of the Little Sisters of the Poor Charitable Trust, as set out in its governing document, is the spiritual welfare of its members and hospitality towards the elderly poor.

The English Province of the Congregation of the Little Sisters of the Poor Charitable Trust aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives with the Congregation. In 2020, Canonically, the English Province merged with the Irish and Scottish Province which consists of 5 Homes in Ireland and 2 in Scotland. This Canonical merger has no impact on the civil law position or the scope and work of the charity. The ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the two main areas: caring for members of the Congregation; and the ownership and operation of a number care Homes for the elderly.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of individual Sisters, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

MISSION (continued)

The Congregation proposes to its members the following of Jesus Christ through the profession of the evangelical counsels, in order to show forth – according to the words and teaching of Our Lord – the Kingdom of heaven as a luminous sign. (Constitutions of the Congregation).

The particular mission of the Congregation of the Little Sisters of the Poor is the apostolate to the elderly poor, in fidelity to the charismatic inspiration of Jeanne Jugan. By the vow of hospitality the Sisters promise God to consecrate themselves to the service of the elderly poor, according to the apostolic purpose of the Congregation and according to its Constitutions. The object of the vow is to practise the corporal works of mercy, in view of the salvation of souls and to spare no effort to attain this end. Each one in the community brings her collaboration to the common tasks. (Constitutions of the Congregation).

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES

Activities and specific objectives

The works or ministries of the Sisters of the Congregation fall into the following main areas:

♦ ***Worship and prayer***

Members of the Congregation are given the opportunity for private worship and to continue to develop their knowledge and trust in Jesus and the Church through quiet prayer, study of the Gospel and spiritual development. In addition, members of the Congregation celebrate and pray with the wider community including people of all faiths and none. They do this through the celebration of the Liturgy and church services.

♦ ***Social and pastoral work***

The sole apostolate of the Congregation is the care of the elderly poor, of all nationalities and beliefs, in Homes providing residential and nursing care. Its social and pastoral work is extended to the elderly of the neighbourhood who are welcomed to the Home on a daily basis and who often participate in the Luncheon Clubs run by the Homes.

♦ ***Operation of residential and care establishments***

During the year the sisters in England provided care and assistance to the elderly at seven establishments owned and operated by the charity, in Birmingham, Bristol, Leeds, London (Stoke Newington and South Lambeth), Manchester and Newcastle. All Homes provide high quality care for members of the general public and those members of the Congregation in need of care in their later years.

♦ ***Overseas missionary work***

The charity also occasionally helps support Sisters working in healthcare and social and pastoral fields in the Homes of the Congregation in poorer countries, thereby helping some of the world's poorest and most disadvantaged people.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

The Congregation of the Little Sisters of the Poor Charitable Trust aims to support the religious and other charitable ministries carried out by the sisters of the Congregation in England. In the main these ministries centre around the provision of hospitality, residential and nursing care to the aged poor of both sexes.

To this end, during the year, the charity operated seven nursing and residential care homes situated in Birmingham, Bristol, Leeds, London (Stoke Newington and South Lambeth), Manchester and Newcastle.

Within this work, the charity is also responsible for caring for members of the Congregation.

Care Homes

The philosophy of care is:

- ◆ to uphold, in conformity with Christian values and the teachings of the Catholic Church, the sacredness of human life in all its stages;
- ◆ to respond to the desires and aspirations of the elderly residents and, in particular, recognising:
 - a. their dignity, their desire to be respected, esteemed and loved, and the longing to feel useful;
 - b. their apprehension of solitude, together with the wish for a certain independence and privacy;
 - c. the need for security, in health as in sickness, until death;
- ◆ to respect human dignity which does not consist in being able to choose the time of one's death, but in being aware of the fact that one's basic right is the right of respect for life;
- ◆ rejection of all passive and active practices of euthanasia.

The tangible fixed assets of the charity are necessary for the work that is done by the Sisters. However, the running costs of the homes are not compensated by the income that is generated through fees from Local Authorities. Without the fundraising activities and daily collections that are made by the Sisters, the Homes would cease to function. The Sisters rely on the help of benefactors and this has been so from the earliest beginnings.

Details of the Homes are given in the table overleaf. Each Home includes lounges, a library, a Chapel, a shop for use by residents, a hairdressing facility, an arts and crafts complex, a medical suite, a concert hall for residents' entertainment and day facilities for the elderly of the locality.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Care homes (continued)

All of the Homes suffered great setbacks due to Covid-19. Several residents, mainly in Birmingham, and 3 Little Sisters in the Province died of the virus. There have been difficulties due to reduced numbers of staff as many were, understandably, reluctant to come to work.

Name of Home	Address	Number of rooms	Additional facilities
St Joseph's Care Home	71 Queens Park Road Harborne Birmingham B32 2LB	37 en suite with ancillary services	12 Independent living apartments
St Joseph's Care Home with Nursing	66 Cotham Hill Bristol BS6 6JT	40 en suite with ancillary services	
Mount St Joseph's Care Home and Independent Living Complex	Shire Oak Road Headingley Leeds LS6 2DE	45 en suite with ancillary services	23 Independent living apartments
St Peter's Care Home and Independent Living Complex	Meadow Road South Lambeth London SW8 1QH	56 en suite with ancillary services	20 Independent living apartments
St Joseph's Care Home	52 Plymouth Grove West Manchester M13 0AR	52 en suite with ancillary services	2 Independent living apartments
St Joseph's Care Home	Westmoreland Road Newcastle-upon-Tyne NE4 7QA	57 en suite with ancillary services	
St Anne's Care Home and Independent Living Complex	Manor Road Stoke Newington London N16 5BL	32 en suite with ancillary services	19 Independent living apartments

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Caring for members of the Congregation

In common with many religious Congregations in England, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations becomes minimal. The age profile of the Congregation in England as at 31 December 2020 is shown below:

Age range	Number of Sisters
30 to 39 years	1
40 to 49 years	3
50 to 59 years	5
60 to 69 years	7
70 to 79 years	29
80 to 89 years	16
90 years and over	3

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the care of the elderly poor and marginalised in society. As the age profile of the Congregation increases, so too does the need to provide increasing and increasingly expensive care to the Sisters. As the Sisters become elderly and in need of care they are cared for in the Community to which they are assigned.

As a consequence, the trustees are giving careful consideration to the impact of this on the work of individual members of the Congregation, the property requirements of the Congregation and the financial implications. In this regard, the aims of the trustees over the forthcoming years include:

- ♦ ensuring all members of the Congregation receive the high level of care they require;
- ♦ reviewing the charity's properties to provide adequate space to enable the elderly Sisters to be cared for; and
- ♦ enabling all members of the Congregation to continue with their individual ministries for as long as possible.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Associates and volunteers

The Association Jeanne Jugan, approved by the Church on 5 September 1998, offers to lay men and women the opportunity of sharing in the spiritual riches of the Little Sisters of the Poor, of participating in their apostolic mission of hospitality to the needy elderly and of helping to spread the charisma of Jeanne Jugan in the milieus where they live and work. They perform various tasks within the Homes wherever needed.

Throughout the year, volunteers give their time to assist the elderly in the Care Homes. They receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. In addition, members are involved in administering the work of the Congregation and the charity. Without their contribution the charity would not be able to function as effectively or as fully as it does.

The total number of Jeanne Jugan Associates this year is not clear because, given the circumstances, some of them have not been able to renew their promise.

This also applies to the volunteers who have not been coming into the Homes.

Protection of Children and Vulnerable Adults

Along with all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. This means that all Sisters who are in any kind of ministry in England have to obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). The Little Sisters of the Poor are a Registered Body with the DBS and have a registered lead signatory and ten counter-signatories.

Grants, donations and other payments in support of missionary work and ministry

The Congregation may make modest donations in exceptional cases and with authorisation from the Superior General or the Superior Provincial, as the case requires. The charity supports the work of the Congregation in Africa, the funds being raised by the sale of goods made by residents in the arts and crafts department of the Homes.

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. As noted above, it applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that donors' and supporters' communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020, the charity received no complaints about its fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

Introduction

This report reflects the effects that the Covid-19 pandemic, lockdowns and restrictions have had on the charity. The financial year covered covers just over nine months that were seriously impacted by Covid-19. During the year, the Homes have coped with the various national lock down periods and there have been times when the Homes were closed due to Covid-19.

During this period the Homes had to cope with staff absence due to them being either clinically extremely vulnerable themselves, or shielding family members, or being ill with Covid-19.

A small number of staff had their salaries mostly covered by the Government's Job Retention Scheme (Furlough).

The main impact of the pandemic on the finances of the Homes has been in the lower than normal occupancy rate. As rooms became vacant during the first few months of lock down, the Homes were often unable to take in new residents. The Homes also encountered some hesitancy around people putting their relatives into a care home. The bad publicity surrounding the early crises in care homes and Covid-19 deaths definitely had an impact.

During the lockdown and periods of under-occupancy, the Homes have been able to undertake a some refurbishment and upgrading of rooms.

The Homes run as an extended Christian family, where residents, their families and friends are normally all welcome, with the Homes normally having an open visiting policy and offering hospitality at all times. Residents are supported so that they may live as normal a life as possible, enabling them to be "up and about" and enjoying some meaningful activities during the day. The year to 31 December 2020 has proved difficult and challenging for all concerned. The trustees would, in particular, like to pay tribute to all of the charity's staff who have shown such huge commitment and dedication to ensuring the safety of residents and to helping maintain residents' quality of life. Their work is truly appreciated.

Professional development

Throughout the year Sisters continued to up-date their professional skills. Some Sisters are currently being trained in Leadership and Management Awards, National Certificate of Further Education in: Quality and Diversity, Principles of End of Life Care and Principles of Dementia, Safeguarding. Others courses that are on-going are: Health & Safety, Certificate in the Safe Handling of Medicines, Food Safety in Catering, Safeguarding, Mental Capacity Act, Staff management, Gold Standards Framework, Fire Safety, and Emergency First Aid.

ACHIEVEMENTS AND PERFORMANCE (continued)

Care Homes

The trustees are aware of the importance of the care of the elderly in every aspect and, in particular, of the mission and ethos of the Little Sisters of the Poor in their care of elderly people. The Homes are supported on a national level by qualified personnel and consultancy services. The Care Home Advisor, David Colborn MA, BSc, RGN, Dip. Nurs., Certd. Ed. visits the Homes on a regular basis. David updates the Care Managers on issues surrounding the care of the residents and reviews the policies three yearly. He recently attended a course on Fire Prevention which has enabled him to carry out the necessary inspections of the buildings. He also gives courses to the staff on Tissue Viability and Managing Continence.

Claudia Pineda is the Moving and Handling Co-ordinator, training staff in the correct procedures in this area. She is updated on an annual basis. There are also Moving and Handling facilitators at each Home. Claudia also oversees the Care training session, induction and on-going, using Skills for Care, and as part of the induction supports Carers in acquiring the Care Certificate.

The trustees are also aware of the importance of ensuring that the Homes are financially viable and have appointed a Group Purchasing Manager, David West, to negotiate and review contracts, and obtain the best deals in every aspect of purchasing. David is in constant contact with the Managers of the Homes, advising and negotiating discounts with suppliers before placing orders.

Because of the number of employees involved in each Home and the complexity of employment law, the Sisters have contracted the services of Peninsula Business Services. An advice line is available 24 hours a day 365 days a year. Contracts of Employment and related documents are in line with current legislation and have been drawn up with the support of the Peninsula Business Services, and material is up-dated as necessary. Training sessions are a part of the package and these are attended by Management and Personnel Officers on a regular basis.

Janet Melbourne is sub-contracted to oversee the management of the local HR team in the Homes and to advise as necessary.

The staff from Directory of Social Change have had a large input into the training of staff in various areas in Communication and Developing Effective Relationships. These courses have been appreciated by the staff and all appear to have benefitted fully.

ACHIEVEMENTS AND PERFORMANCE (continued)

Care Homes (continued)

The Homes of the Little Sisters of the Poor are supported by Local Training Centres for the training of staff to required levels.

During the past year Distant Learning Courses were put in place for Sisters and staff members, particularly in the field of Dementia. This has made an immense difference in helping to understand the elderly who are border-line cases in the Homes.

Sisters and staff have also been registered with Educare and have completed the training on Safeguarding through this means.

St Joseph's Care Home with Nursing, Birmingham

St Joseph's Care Home in Harborne, Birmingham provides care for 37 residents. The Home also has 12 Independent-Living Apartments. The final payment was made for the construction of the wall between the piece of land that was sold and our remaining property. No other major work has been undertaken in 2020. The Home has suffered badly from the effects of Covid-19 and a number of residents died. The rooms remained empty for some months but were gradually filled afterwards.

St Joseph's Care Home with Nursing, Bristol

St Joseph's, Bristol, is registered to provide accommodation and personal care for 40 elderly people of modest income who are 65 and over. Within this the Home can provide support for up to six people who also require nursing care. There are 40 individual, en-suite rooms, with showers.

During the year it was found necessary to supply and fit new gate rams, control board and receiver, and to fit a replacement induction loop, in order for the main gates to work automatically.

Two items required by the insurance inspector needed to be replaced, three new pressure relief valves and the installation of one new valve to heating pressure vessels, and the replacement of the cold water booster pump on the pressurisation unit.

The 18 year old combi oven in the main kitchen was also replaced.

Mount St Joseph's Care Home with Nursing, Headingley, Leeds

Mount St Joseph's provides care for 45 elderly people of modest income. There are also 23 Independent-Living Apartments with full occupancy.

Necessary fire precautionary work continues within the lounges and corridors of the Home. Work was also carried out on a flat area of part of the building as some of the walls were damaged with damp.

ACHIEVEMENTS AND PERFORMANCE (continued)

Care Homes (continued)

St Anne's Care Home with Nursing, Stoke Newington, London

St Anne's provides care for 32 elderly people of modest income and was opened, after reconstruction, in October 2008. There are also 19 Independent Living Apartments.

The structure of the balcony on the second floor is giving concern and for health and safety reasons use has been restricted until further investigations have been made. These investigations were still ongoing at the end of the year 2020. During the year, seven parts of the roof safety access system needed repair as did the generator supply system.

It was found necessary to purchase crockery for the residents' units. Twelve motors for the vents in the atrium, that have automatic fire control features, have also had to be renewed during the year.

St Peter's Care Home, South Lambeth, London

St Peter's is a Residential Care Home registered for 56 places for elderly people with modest income who are 65 and over. Nursing registration has been applied for. There are also 20 independent-living apartments for elderly people with modest income who are capable of living independently. While maintaining a high level of occupancy, the Home continues to receive a large number of applications. Training of staff has continued to be a priority in order to ensure a high standard of care. We recognise the need to provide showers in the existing en-suites and plans are currently being made for this work to go ahead in the near future. In the meantime 2 bathrooms have been converted into walk in showers.

Several necessary purchases have been made during the year, including a Pressure Washer for the exterior pathways of the Home, a food stick blender and Medcafe mixer for the main kitchen, mattresses for the residents' units and bedpan washers.

St Joseph's Care Home with Nursing, Manchester

St Joseph's, Manchester, was registered for 52 places and due to the refurbishment work a maximum number of 46 will be the final total. Staff and volunteers ensure that the standard of care given is high and this is confirmed by recent Inspection reports. Every effort is made to ensure that residents' needs are met, their dignity maintained and their well-being assured.

Work on the upgrading of the Home continued throughout the year and plans have been made for the demolition and reconstruction of one of the wings. Three existing lifts, which no longer met current safety standards, were modernised. The central lift is being adapted to provide separate access to the second floor apartments and to access storage space in the roof void.

Due to repeated seriously blocked drains a CCTV survey has been carried out and a number of repairs are urgently required, including excavating and replacing a number of sections of pipework which have collapsed as well as repairing and relining other sections, sections and joints need to be repaired or relined. Structural repairs are needed to two manhole chambers.

ACHIEVEMENTS AND PERFORMANCE (continued)

Care Homes (continued)

St Joseph's Care Home with Nursing, Manchester (continued)

A manhole chamber inside the building is to be modified and a submersible pump installed as an alternative to having to excavate under the building. The CCTV System which is on the point of failing is being upgraded. The new system will have capacity for the two extra cameras required for the new wing. An industrial gas dryer was replaced in the main laundry.

Several necessary items were purchased during the year including a hoist and fourteen individual use slings, as well as twelve shower/commode chairs for the use of individual residents. This expense was covered by the Government Infection Control Grant.

St Joseph's Care Home with Nursing, Newcastle

St Joseph's, Newcastle, underwent a huge refurbishment programme in the 1990s and the Home is well maintained as are the extensive gardens that surround it. It provides places for 57 elderly residents of modest income. Staff are devoted and most of them have been in employment at the Home for many years. Fire precautionary work continues throughout the Home. Due to this work it has been difficult to maintain the usual occupancy levels as several rooms had to be vacated as the work progressed.

Statistics

The following table summarises some of the important statistics regarding the Homes:

	Occupancy %	Residents in Care	Occupancy Independent Living %	Residents in Independent living	Residents' deaths in year	Staff number	Staff FTE
St Joseph's Birmingham	95%	35	83%	12	18	8	70
St Joseph's Bristol	88%	27	N/A	—	10	9	42
Mount St. Joseph's Leeds	89%	40	100%	23	1	47	26
St Anne's, Stoke Newington, London	96%	32	95%	19	11	25	28
St Peter's London	86%	56	100%	20	14	19	65
St Joseph's Manchester	86%	43	100%	1	4	12	49
St Joseph's Newcastle upon Tyne	75%	41	N/A	—	18	13	81

FINANCIAL REPORT FOR THE YEAR

Results for the year

A summary of the results for the year can be found on page 28 of the attached accounts.

Income has decreased by £9,115,836 compared to the previous year and amount to £15,549,831 (2019 – £24,665,657). The decrease in income is principally due to the surplus of £6,902,270 generated during the prior year from the sale of the charity's care home in Jersey.

Total income from the provision of residential and care services decreased by £2,662,840, due to the inclusion of the Jersey Home in the prior year. When this is taken into account, income from the provision of residential and care services has increased by £358,611. Nevertheless, this increase is insufficient to keep pace with rising costs. The charity remains very dependent on voluntary income – both general donations and legacies.

The trustees continue to be extremely grateful to all those who provide financial assistance to the charity, thus enabling it to continue its invaluable work.

Expenditure decreased from £18,924,303 in 2019 to £16,613,502 in 2020. However, when the costs relating to the Jersey Home in the prior year are taken into account, expenditure has increased by £869,562. The trustees keep a tight control over costs but expect that costs will continue to rise as the homes have to meet the increasing requirements of legislation affecting the care sector. The majority of the charity's expenditure represents the operating costs of the Congregation's care homes and a significant proportion of this relates to staff costs which have risen by rates higher than inflation over the past few years reflecting, in particular, the national shortage of qualified nursing and care staff. Fundraising and administration costs are well controlled and represent only a small proportion of total expenditure.

Reserves policy

The trustees have examined the requirement for free reserves i.e those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of free reserves should be approximately equal to between 3 and 6 months' expenditure. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Investment policy

The Congregation does not hold investments and accepts neither revenues nor other forms of guaranty in perpetuity. The work is entrusted to Providence, which has manifested itself in such a remarkable way since the beginning of the Congregation.

Financial position

The consolidated balance sheet shows total funds of £50,695,670. Of this, £45,546,557 is designated as the tangible fixed assets fund. This represents the net book value of the charity's tangible fixed assets used to support the work of the sisters. A further £6,550 represents restricted monies received for specific purposes.

FINANCIAL REPORT FOR THE YEAR (continued)

Financial position (continued)

Free reserves, therefore, are those shown on the balance sheet as general funds and at 31 December 2020 stood at £5,135,893 which is consistent with the reserves policy set out above.

The charity's assets

Acquisitions and disposals of tangible fixed assets during the year are recorded in the notes to the accounts.

PLANS FOR FUTURE PERIODS

The trustees do not anticipate any significant change to the charity or its activities over the next two to five years. It is their intention to continue to meet the following objectives:

- ◆ To continue to care for the Sisters and enable them to carry out their work in the care of the elderly.
- ◆ To continue to operate seven care Homes for the elderly and in particular:
 - ◇ to continue to meet the challenges posed by Covid-19 and ensure the protection of both residents and staff as far as possible with strict adherence to Government and sector guidance on addressing the pandemic in the Homes;
 - ◇ to provide the highest possible quality of care for the residents in a dignified and friendly environment;
 - ◇ to achieve average occupancy rates in excess of 95%;
 - ◇ to meet the requirements laid down by the Care Standards Act 2000 and attain high success rates in inspections carried out by the Care Quality Commission;
 - ◇ to continue a programme of maintaining the Homes to a high standard;
 - ◇ to continue to employ high quality staff and ensure that they are given appropriate and relevant training;
 - ◇ to attain a high awareness of Health & Safety issues, training staff and volunteers in their important role in this field.
 - ◇ to monitor the needs of the Sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Council in Brittany, France. They are elected every six years at a General Chapter consisting of a meeting of representatives of all provinces of the Congregation. The English Province is governed by the Provincial who is named by the Superior General with the deliberative vote of her Council. Members of the Provincial Council are named by the Superior General with the consultation of her Council. Each community in the English Province is governed by a local superior, who is appointed by the Superior General with the deliberative vote of her Council. The Provincial is required to make a Canonical Visitation in each community at least every eighteen months, with shorter visits throughout the year.

There is a system of accountability operational throughout the Province to ensure that the Provincial Superior and her Councillors are aware of the progress and development of the ministries carried out by the Sisters of the Province. A visit by the Superior General is made to the English Province during her term of office.

In terms of Civil law, the charity is governed by a trust deed dated 5 May 1964 and is a registered charity – Charity Registration No. 234434. The trustees of the charity are the four members of the Provincial Council and two other members who are local Superiors. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure.

As all trustees are members of the Congregation of the Little Sisters of the Poor Trustee Company Limited their living and personal costs are borne by the charity. However, they receive no remuneration or expenses for their services as trustees.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees is given below.

Sister Julia Culliton

Sister Julia Culliton, who replaced Sister Caroline Lloyd during the year, joined the Congregation in 1973. She is now currently the Provincial Superior of the English Province. Since entering the Congregation she trained as a nurse at St James's Hospital, Leeds, and has held the post of deputy Manager and Manager in several Homes in France.

Sister Kathleen Taylor

Sister Kathleen Taylor, who replaced Isabella Donnelly during the year, joined the Congregation in 1968. She is currently Care Home Manager at St Peter's Residence. Since entering the Congregation she trained as a nurse and has held the post of deputy Manager in several Homes in France as well as Provincial in both France and Ireland.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Sister Mary Ward

Sister Mary Ward entered the Congregation in 1976. She was a member of the Provincial Council in Dublin and is now a Trustee and member of the newly formed Province of Dublin-London. She also fulfilled an administrative role in several Homes in what was previously the Province of London.

Sister Mary Chantal (Margaret Ashton)

Sister Mary Chantal joined the Congregation in 1961. She is currently the Provincial Assistant, has received training in book-keeping and accountancy and has overall responsibility for the finances of the charity. Since joining the Congregation she has been part of the formation team in both the Novitiate in France, and the Juniorate House in Leeds. Previously she obtained a City & Guilds level 4 in Care, and received the Certificate of Unit Credit towards competence in training and development as an NVQ assessor and internal verifier.

Sister Deirdre Mary Francis (Deirdre McCormack)

Sister Deirdre joined the Congregation in 1992, having previously qualified as an RGN at Addenbrooke's Hospital, Cambridge. She also obtained the Orthopaedic Nursing Certificate at the Royal National Orthopaedic Hospital, Stanmore, Middlesex. She also has obtained NVQ Level 4 in Management and Leadership. Since entering the Congregation she has served as Unit Manager in the Homes of the Little Sisters in Dundee, Lyon, Dijon and Paris, and as Deputy Manager and Registered Manager in Newcastle, Preston, Manchester and London and is currently serving as Registered Manager at St Joseph's, Newcastle.

Sister Josephine (Josephine Storey)

Sister Josephine joined the Congregation in 1966. She trained as a Registered General Nurse at St James's Hospital, Leeds, and has held the post of deputy Care Home Manager and Care Home Manager at the charity's homes in Bristol and the two London Homes. She is currently Manager of the Care Home with Nursing in Manchester.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations 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.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions.

When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

The English Province (now known as the Dublin-London) comprises 138 Sisters who live as part of twelve communities, seven of which are the responsibility of the charity. Of these seven communities, two of them are situated in London, one in the South West, one in the West Midlands, one in Yorkshire, one in the North West and one in the North East.. The community houses are located in those areas of towns and cities where it is believed that the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived areas desperately in need of the care and pastoral work carried out by the Sisters. As stated above, each community has a local superior appointed by the Superior General. The local superior is responsible for both the needs and the care of the Sisters in her community and she liaises regularly with the trustees. All local superiors meet together once or twice a year with the trustees to discuss developments and future plans and strategy.

The day to day responsibility for the Homes is in the hands of the Registered Care Manager, who is the Mother Superior at each location. They liaise regularly with the Provincial Superior concerning the running and maintenance of the Home. They are supported and aided by a Local Council of two, or three, members who are named by the Superior General with the consent of her Council.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management reporting (continued)

The Registered Care Managers in place at each of the Homes at 31 December 2020 were as follows:

St Joseph's, Birmingham

Registered Manager: Sister Kathleen Kiernan is a Registered Nurse who has over thirty years' experience of nursing and caring for the elderly in a care home environment.

St Joseph's, Bristol

Registered Manager: Sister Catherine McGuire has over forty years' experience caring for the elderly in a care home environment.

Mount St Joseph's, Leeds

Registered Manager: Sister Caroline Kissane is a Registered Nurse who has over thirty years' experience of caring for the elderly in a care home environment.

London – St Peter's, South Lambeth

Registered Manager: Sister Isabella Donnelly is a Registered Nurse and has over fifty years' experience of caring for the elderly in a care home environment.

London – St Anne's, Stoke Newington

Registered Manager: Sister Maureen Wright is a Registered Nurse who has over forty years' experience of caring for the elderly in a care home environment.

St Joseph's, Manchester

Registered Manager: Sister Josephine Storey is a Registered Nurse who has thirty years' experience of caring for the elderly in a care home environment.

St Joseph's, Newcastle Upon Tyne

Registered Manager: Sister Deirdre McCormack is a Registered Nurse who has over twenty years' experience of caring for the elderly in a care home environment.

Working with other organisations

The charity works closely with a number of other charities and public bodies which work in the field of providing care to the vulnerable and the elderly. Working together in this way enhances communication and understanding thus enabling services to the elderly to be provided more efficiently and effectively and avoiding duplication of effort. Examples of the organisations with which the Sisters have worked and the charity has cooperated during the year are as follows:

- ♦ The Roman Catholic Dioceses of Birmingham, Clifton, Portsmouth, Leeds, Westminster, Southwark, Salford, Hexham & Newcastle,
- ♦ Care Quality Commission
- ♦ NHS
- ♦ Social Services
- ♦ Training Centres

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces, categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified a number of key risks for the charity which are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province at 31 December 2020 was 71 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters have resources of their own as all earnings, pensions and other income have been donated to the charity. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by putting aside the pensions and attendance allowance that the Sisters receive (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally the work of the Charity is the care of the elderly of modest means. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that Sisters engaged in any ministry in England, and all those who work or volunteer for the charity, must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). The Province is presently aligned to the Archdiocese of Southwark for Safeguarding. Arrangements are currently underway to transfer and become aligned to the Catholic Standards Safeguarding Agency (CSSA) a new central agency that has been created as the professional standards body to which all Catholic Dioceses and Religious Life Groups in England and Wales will be accountable, and to become a part of the Religious Life Safeguarding Service (RLSS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, the trustees have established that each Home has a nominated person and this Safeguarding Team meets during the year to discuss any problems that may have arisen. They are regularly in communication by email and phone and on-going safeguarding training is provided. Internal policies are reviewed and up-dated and Sisters, staff and volunteers are kept informed about good practice in work and ministry.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ Additional administration staff have been recruited to lighten the workload of some departments, through job sharing or dividing tasks. This avoids the risk of a reduced functioning in these areas and contributes to the smooth running of the Home when absences occur.
- ◆ Because of the new General Data Protection Regulations the Sisters acknowledge the risk involved in not being fully functional to meet the requirements of this new law. In order to ensure full compliance, and that the law is fully understood and adhered to, training has been given to the Sisters and delegated staff members. A Data Protection Officer has been recruited and each Home has an appointed Data Protection Lead. A Policy and Fair Processing and Privacy Notice has been developed and these are available on the website.
- ◆ A digital Care Programme has been implemented and all medical and care staff have been trained in all the Homes. It is acknowledged that there are significant risks in this area and IT protection measures are being carried out and a risk assessment is in place.
- ◆ The Little Sisters of the Poor are committed to providing the highest levels of care for the elderly poor. We recognise that changes within legislation and threats from working in new on-line environments expose both Little Sisters of the Poor and our residents and staff to new threats and challenges. We score risk using the standard risk equation: $\text{Impact} \times \text{Likelihood} = \text{Risk}$ and it has been carried out for the purpose.
- ◆ The charity donates occasional sums in support of the wider Congregation. The vast majority of donations sent overseas are to fund projects administered directly by members of the international Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity does not hold investments. The charity's principal asset comprises buildings which are essential for the work of the charity.
- ◆ The charity has a management committee comprising care professionals and legal and financial professionals. Members of this committee advise the trustees of the myriad of clinical, care and other risks associated with the operation of the care home including, for example, safeguarding; the chronic shortage of qualified nurses and care assistants; the impact of the planned changes in the provision of care funding, and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management

The trustees consider that they together with the Registered Care Managers of each of the charity's care homes comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees and the Registered Care Managers are members of the Congregation and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

Approved by the Directors of the Corporate Trustee
and signed on their behalf by:



Approved on: 30 June 2022

Independent auditor's report to the directors of the corporate trustee (the 'trustees') of The Congregation of the Little Sisters of the Poor Charitable Trust

Opinion

We have audited the accounts of The Congregation of the Little Sisters of the Poor Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), and key laws and regulations that relate to care homes (Care Standards Act 2000, Care Homes Regulation 2001 and the Care Act 2014); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Performed substantive testing on expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reviewing the minutes of meetings of trustees' meetings; and
- ◆ Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

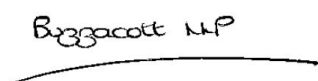
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive style and is underlined with a single horizontal line.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 1 July 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from:							
Donations and legacies	1	4,319,496	147,856	4,467,352	3,849,505	219,710	4,069,215
Interest receivable		9,313	—	9,313	2,139	—	2,139
Charitable activities							
. Charges for residential and care services	2	9,929,221	620,321	10,549,542	13,212,382	—	13,212,382
Other trading activities	3	384,209	—	384,209	425,935	—	425,935
Other sources	4	139,415	—	139,415	50,572	—	50,572
Surplus on disposal of assets and activities	12	—	—	—	6,905,414	—	6,905,414
Total income		14,781,654	768,177	15,549,831	24,445,947	219,710	24,665,657
Expenditure on:							
Raising funds							
. Costs of generating voluntary income		1,476	—	1,476	10,815	—	10,815
Charitable activities							
. Provision of residential and care services	5	15,865,584	659,359	16,524,943	18,895,277	18,211	18,913,488
. Loss on disposal of tangible fixed assets		87,083	—	87,083	—	—	—
Total expenditure		15,954,143	659,359	16,613,502	18,906,092	18,211	18,924,303
Net expenditure (income) for the year	7	(1,172,489)	108,818	(1,063,671)	5,539,855	201,499	5,741,354
Transfers between funds	15	102,148	(102,148)	—	204,213	(204,213)	—
Net movement in funds		(1,070,341)	6,670	(1,063,671)	5,744,068	(2,714)	5,741,354
Reconciliation of funds							
Total funds brought forward at 1 January 2020		51,752,791	6,550	51,759,341	46,008,723	9,264	46,017,987
Total funds carried forward at 31 December 2020		50,682,450	13,220	50,695,670	51,752,791	6,550	51,759,341

There is no difference between the net movement of funds stated above and the historical cost equivalent.

All activities derived from continuing operations during the above financial years with the exception of the care home at St Helier, Jersey which was sold, as a going concern, to another provider in December 2019 (see note 12).

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		45,546,557		44,743,769
Current assets					
Debtors	13	542,246		373,675	
Short term deposits		5,712,053		7,632,237	
Cash at bank and in hand		783,192		575,764	
Total current assets		<u>7,037,491</u>		<u>8,581,676</u>	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(1,888,378)</u>		<u>(1,566,104)</u>	
Net current assets			<u>5,149,113</u>		<u>7,015,572</u>
Total net assets			<u>50,695,670</u>		<u>51,759,341</u>
The funds of the charity					
Restricted funds	15		13,220		6,550
Unrestricted funds					
. Tangible fixed assets fund	16	45,546,557		44,743,769	
. General fund		<u>5,135,893</u>		<u>7,009,022</u>	
			<u>50,682,450</u>		<u>51,752,791</u>
			<u>50,695,670</u>		<u>51,759,341</u>

Approved by the Directors of the Corporate Trustee
and signed on their behalf by:

J. Bulliton

Approved on: 30 June 2022

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash flows provided by operating activities	A	761,869	154,788
Cash flows from investing activities:			
Interest received		9,313	2,139
Purchase of tangible fixed assets		(2,512,741)	(2,730,338)
Net proceeds from disposal of assets and activities		28,803	9,004,504
Net cash (used in) provided by investing activities		(2,474,625)	6,276,305
Change in cash and cash equivalents in the year		(1,712,756)	6,431,093
Cash and cash equivalents at 1 January 2020	B	8,208,001	1,776,908
Cash and cash equivalents at 31 December 2020	B	6,495,245	8,208,001

Notes to the statement of cash flows for the year to 31 December 2020:

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(1,063,671)	5,741,354
Adjustments for:		
Depreciation charge	1,855,989	1,885,356
Net deficit (surplus) on disposal of assets and activities	87,083	(6,905,414)
Interest receivable	(9,313)	(2,139)
(Increase) decrease in debtors	(168,571)	270,052
Increase (decrease) in creditors	60,352	(834,421)
Net cash provided by operating activities	761,869	154,788

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	783,192	575,764
Short term deposits	5,712,053	7,632,237
Total cash and cash equivalents	6,495,245	8,208,001

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to the accounts.

The accounts have been prepared in accordance with 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ♦ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ♦ estimating the provision for bad or doubtful debts; and
- ♦ determining the probability of the receipt of legacies which are measurable and to which the charity is entitled.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant issues that may affect the carrying value of the assets held by the charity are the level of local and central government funding for residential and nursing care of older people and the cost of implementing the changes to the regulatory environment affecting care homes generally.

Scope

The accounts include all the activities and net assets of The Congregation of the Little Sisters of the Poor in England and the Channel Islands. The accounts do not include the activities and assets of the Congregation in Scotland or overseas as these are outside of the control of the Directors of the Corporate Trustee.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, interest on funds held on deposit, income from residential and care services, income from fundraising and collections and other income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from residential and care services is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable.

Income recognition (continued)

Income from fundraising and collections is recognised when receivable and the amount can be measured reliably by the charity; this is normally when the income has been received.

The surplus on the disposal of assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the charity has become entitled to the funding and when the amount receivable has been quantified.

Expenditure recognition and the basis of apportioning costs

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

Expenditure comprises the following:

- a. The costs of generating funds include direct costs associated with collections and generating other donated income.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report i.e. the provision of residential and care services and the provision of donations to support the work of the congregation.

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and a suitable working environment.

Governance costs are costs associated with the governance of the charity and its assets. Included within this category are costs associated with the strategic, as opposed to day-to-day, management of the charity's activities.

Support and governance costs are attributed to the provision of residential and care services only.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

All tangible fixed assets are stated at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|-----------------------|--------------------------------|
| ♦ Freehold buildings | 2% on a straight line basis |
| ♦ Plant and machinery | 5-20% on a straight line basis |

Tangible fixed assets (continued)

- ♦ Furniture and equipment 20% on a straight line basis
- ♦ Motor vehicles 25% on a straight line basis

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the directors of the corporate trustee. Within the total unrestricted funds of the charity, those representing tangible fixed assets net of long term loans to finance major property improvements (see note 16) have been identified separately.

Details of funds raised for a specific purpose or subject to donor imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Congregation

For the purposes of these accounts, no monetary value has been placed on the care, administrative and other services provided by members of the Congregation.

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Donations and grants receivable	3,218,730	147,856	3,366,586	2,805,576	219,710	3,025,286
Legacies	919,993	—	919,993	860,714	—	860,714
Pensions of individual religious received under Gift Aid or deed of covenant	180,773	—	180,773	183,215	—	183,215
	4,319,496	147,856	4,467,352	3,849,505	219,710	4,069,215

2 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Pensions and DSS	50,770	—	50,770	52,769	—	52,769
Residents' and family contributions	5,983,488	—	5,983,488	8,426,383	—	8,426,383
Social services	3,254,224	—	3,254,224	3,955,085	—	3,955,085
Rental income	640,739	—	640,739	778,145	—	778,145
Covid-19 support grants	—	620,321	620,321	—	—	—
	9,929,221	620,321	10,549,542	13,212,382	—	13,212,382

3 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Fundraising	335,472	—	335,472	315,795	—	315,795
Collections	48,737	—	48,737	110,140	—	110,140
	384,209	—	384,209	425,935	—	425,935

4 Income from: Other sources

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Sundry income	55,655	—	55,655	50,572	—	50,572
Coronavirus Job Retention Scheme	83,760	—	83,760	—	—	—
	139,415	—	139,415	50,572	—	50,572

5 Expenditure on: Provision of residential and care services

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Staff costs (note 8)	10,295,538	—	10,295,538	12,056,238	—	12,056,238
Premises	2,341,467	39,038	2,380,505	2,554,589	17,691	2,572,280
Care and welfare	657,429	620,321	1,277,750	1,309,035	520	1,309,555
Depreciation	1,855,989	—	1,855,989	1,878,373	—	1,878,373
Central administration	236,817	—	236,817	306,137	—	306,137
Professional fees	292,818	—	292,818	545,620	—	545,620
Support costs	6,887	—	6,887	26,532	—	26,532
Governance costs (note 6)	66,336	—	66,336	85,675	—	85,675
Other costs	112,303	—	112,303	133,078	—	133,078
	15,865,584	659,359	16,524,943	18,895,277	18,211	18,913,488

The costs above include the direct costs of providing care, the living and personal expenses of individual sisters, all of whom are either directly or indirectly involved in such work, and related support functions of the charity.

6 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Professional fees	66,336	—	66,336	85,675	—	85,675

7 Net (expenditure) income for the year

This is stated after charging:

	2020 £	2019 £
Staff costs (note 8)	10,295,538	12,056,238
Auditor's remuneration		
· Statutory audit services	66,000	74,040
· Other services – advice in relation to sale of Jersey Home	—	42,984
Depreciation	1,855,989	1,878,373

8 Staff costs and remuneration of trustees and key management personnel

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	8,599,379	10,661,270
Social security costs	574,451	674,017
Pension costs	112,530	95,830
	9,286,360	11,431,117
Sub-contracted and temporary staff	1,009,178	625,121
	10,295,538	12,056,238

All staff costs relate to the provision of residential and care services.

The use of sub-contracted and temporary staff reflects the national shortage of permanent nursing and care staff.

8 Staff costs and remuneration of trustees and key management personnel (continued)

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2019 - none).

The average number of employees (calculated on both headcount and full time equivalent (FTE) basis) was as follows:

	2020 No	2019 No	2020 FTE	2019 FTE
Provision of residential and care services	532	628	403	505

Key management personnel

The trustees consider that they together with the Registered Care Managers of each of the charity's care homes comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees and the Registered Care Managers are members of the Congregation and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties.

9 Trustees' expenses and transactions with trustees and related parties

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2019 - none).

As members of the Congregation, no trustee has resources of her own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £2,702 (2019 - £2,418).

During the year, the charity received a donation of £1,797,351 (2019: £1,782,000) from the Generalate of the Congregation in France.

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

10 Taxation

The Congregation of the Little Sisters of the Poor Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2020	69,618,712	2,857,006	3,761,937	418,329	76,655,984
Additions	2,606,547	—	144,604	23,512	2,774,663
Disposals	(327,883)	—	—	(47,337)	(375,220)
At 31 December 2020	<u>71,897,376</u>	<u>2,857,006</u>	<u>3,906,541</u>	<u>394,504</u>	<u>79,055,427</u>
Depreciation					
At 1 January 2020	26,634,406	1,587,803	3,316,398	373,608	31,912,215
Charge for year	1,470,719	142,850	227,577	14,843	1,855,989
On disposals	(241,191)	—	—	(18,143)	(259,334)
At 31 December 2020	<u>27,863,934</u>	<u>1,730,653</u>	<u>3,543,975</u>	<u>370,308</u>	<u>33,508,870</u>
Net book values					
At 31 December 2020	<u>44,033,442</u>	<u>1,126,353</u>	<u>362,566</u>	<u>24,196</u>	<u>45,546,557</u>
At 31 December 2019	<u>42,984,306</u>	<u>1,269,203</u>	<u>445,539</u>	<u>44,721</u>	<u>44,743,769</u>

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to users of the accounts.

12 Surplus on disposal of assets and activities

	2020 £	2019 £
Disposal of Jeanne Jugan Residence with Nursing, Jersey	—	6,902,270
Disposal of other tangible fixed assets	—	3,144
	<u>—</u>	<u>6,905,414</u>

(a) Disposal of Jeanne Jugan Residence with Nursing, Jersey

With effect from midnight on 20 December 2019, in accordance with a legal Asset and Business Purchase Agreement, the activities and tangible fixed assets of Jeanne Jugan Residence with Nursing Jersey were sold, as a going concern, to LV SJ Holdings Limited (a company registered in Jersey No. 129910).

The net surplus on disposal comprised:

	2019 £
Group and charity	
Disposal proceeds	9,803,017
Costs of disposal	(812,554)
Net book value of assets disposed of	(2,088,193)
Surplus on disposal	<u>6,902,270</u>

13 Debtors

	2020 £	2019 £
Charges for care services	175,305	232,983
Prepayments	305,211	97,284
Other debtors	61,730	43,408
	542,246	373,675

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Fees in advance	121,377	74,170
Expense creditors	514,458	206,355
Other creditors	801,956	707,078
Accruals	450,587	578,501
	1,888,378	1,566,104

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Repairs and refurbishment fund	6,550	147,856	(39,038)	(102,148)	13,220
Covid-19 support grants	—	620,321	(620,321)	—	—
	6,550	768,177	(659,359)	(102,148)	13,220

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Repairs and refurbishment fund	9,264	219,190	(17,691)	(204,213)	6,550
Other funds (under £2,000)	—	520	(520)	—	—
	9,264	219,710	(18,211)	(204,213)	6,550

♦ Repairs and refurbishment fund

This comprises monies received towards the cost of repair and refurbishment of the Homes. Transfers from restricted to unrestricted funds represent the purchase of tangible fixed assets from the fund.

♦ Canonisation fund

Jeanne Jugan, foundress of the Congregation, was canonised in October 2009. This income represents donations to enable the Sisters from Britain to attend the canonisation in Rome.

16 Tangible fixed assets fund

	2020 £	2019 £
At 1 January 2019	44,743,769	45,060,070
Net movement in year	802,788	(316,303)
At 31 December 2019	45,546,557	44,743,769

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets less the loans from the Jersey State Treasury to finance major property improvements (note 15). These tangible fixed assets are essential to the ongoing work of the charity – without them the charity's work would simply not be possible. As such their net book values should not be regarded as realisable in order to meet ongoing expenditure or contingencies.

17 Analysis of net assets between funds

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	—	45,546,557	—	45,546,557
Net current assets	13,220	—	5,135,893	5,149,113
Total net assets	13,220	45,546,557	5,135,893	50,695,670
	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	—	44,743,769	—	44,743,769
Net current assets	6,550	—	7,009,022	7,015,572
Total net assets	6,550	44,743,769	7,009,022	51,759,341

18 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Congregation of the Little Sisters of the Poor by virtue of the fact that the General Council of the Congregation appoints the Directors of the corporate trustee. The Congregation does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in England and the Channel Islands are vested in the corporate trustee of the charity, the directors of which undertake all transactions entered into in the course of the Congregation's charitable activities.

Notes to the accounts 31 December 2020

19 Capital commitments

At 31 December 2020, the charitable company had the following capital commitment in respect to continued refurbishment of the rooms and corridors within the charity's Manchester home.

	2020 £	2019 £
Contracted for, but not provided for in the accounts	5,300,000	3,800,000