

SISTERS OF THE HOLY TRINITY
(Registered Charity Number: 234767)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SISTERS OF THE HOLY TRINITY

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2020.

TRUSTEES

J A M Baudras-Chardigny*
J A Denby^ (appointed February 2020)
C J Forster^ (appointed February 2020)
A M L H Jeanneteau* (appointed February 2020)
B Lecaillon*
Jeong Kim* (to December 2020)
M L Poupard^ (appointed February 2020)
N M S Razafindrasoa* (appointed February 2020)
C F Sullivan*
A M Timmins*
C A A Zammitt^ (appointed February 2020)

^ Lay trustees

**Religious trustees*

SUPERIOR GENERAL

N M S Razafindrasoa

PRINCIPAL OFFICE

Holy Trinity Convent
15, Marian Gardens
Bromley
Kent, BR1 3FH

CHARITY REGISTRATION NUMBER

234767

GOVERNING INSTRUMENT

Trust Deed dated 28 April 1964

INDEPENDENT EXAMINER

Olayinka Tomori ACA DChA
Longmeade Consult Ltd
Regus House
Victoria Way, Admirals Park
Dartford DA2 6QD

SOLICITORS

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London, SW1P 3JT

PRINCIPAL BANKERS

National Westminster Bank
143 High Street
Bromley
Kent, BR1 1JH

INVESTMENT POWERS

The provisions of the Trustee Act 2000 apply.

SISTERS OF THE HOLY TRINITY

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Charity's Trust Deed states the objectives to be the advancement of religious and other charitable work carried out by or under the direction of the Society.

In fulfilment of the objectives of the Trust, it is the policy of the charity to undertake a range of charitable activities. The principal areas of charitable work are set out below:

Pastoral Care

The charity has given some of its land to be used by St Joseph's primary school for outdoor activities. The church also uses the Convent's large garden for out-door worship and the scouts/cubs youth club have also had activities there.

Care of the Elderly, Retired Members

Some elderly retired members at present need some care; two currently reside in nursing homes. Provision must be in place to meet their care costs.

Missions Abroad

Sisters from Asia and Africa spend time living in the Community in Bromley to perfect their English while helping with domestic tasks. This is in order to be able to work in English speaking missions.

Parish Assistance

Convent rooms are put at the disposition of local groups for retreats, Sunday school, bereavement counselling training, mother and baby clinic, choir practice and sewing classes. The Community chapel is used for parish masses and sacramental celebrations. The rooms are also used for church celebrations and gathering such as sacramental and funeral receptions.

The Society in the UK

The Society in the UK has four members the majority of whom have given their working lives to its charitable activities. Any earnings of any member working for an organisation outside the Society are covenanted to the charity. There were no new British members in the year 2020 and the average age of members continues to rise. There is one elderly, handicapped retired member and one other retired member who suffered from serious illness who are in nursing homes. In 2020 there was one member from overseas training in the UK and who is supported by the Sisters in Bromley and who also, as she is younger, worked for the convent in many capacities.

SISTERS OF THE HOLY TRINITY

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

The year to 31 December 2020 saw a deficit before exchange and revaluation gains of £409,183 (2019: £67,250 deficit). There was an increase in expenditure from £126,677 in 2019 to £456,504 in 2020; mainly as a result of impairment losses of £245,705 arising from the revaluation of the Convent building and costs incurred for a sister moving into a care home to receive specialist care. The charity continues to incur deficits on recurring activities as the sisters who generate income for the charity are now retired or only do unremunerated charitable work whilst costs continue to rise. Income for the year was £47,321 (2019: £59,427), the main change being the reduction in donations and rental income.

Reserves Policy

The balance of unrestricted funds at the year-end was £4.07m (2019: £4.48m). Of this, £2.8m is tied up in fixed assets – which includes the revaluation reserve of £0.16m, and £24,000 designated towards refurbishments that may be required to the Convent building, leaving £1.09m as free reserves. This exceeds the targeted minimum level of free reserves (unrestricted reserves not tied in fixed assets) of approximately £200k, equivalent to one year's recurring expenditure. However, given the age spectrum of the sisters and the certain need to provide for the care of elderly sisters in the future, trustees estimate that the cost of carrying on their activities and for future care requirements far exceed the reserves held; these funds are committed to that purpose. This is on the basis that a fund of at least £300,000 will be required for the care of each sister and the charity owes this commitment to several sisters both in the UK and abroad.

FUTURE PLANS

The Sisters of the Holy Trinity Congregation have concluded that maintaining a presence in England is no longer a viable proposition since there is only one active member of the community left who is completing her nursing studies and practical post qualification experience. The Congregation have decided to close their last remaining Convent in England and to sell the building and grounds at a discount to the Roman Catholic Parish of Saints Joseph and Swithun because of the close links they have built up with the Parish, which has similar aims and aspirations as they do, for well over a century.

The Charity appointed four lay trustees with relevant experience to help them plan and manage the dissolution of the charity once the Charity has disposed of its property assets. It is anticipated that this will be before the end of 2023, the disposal of all its assets and liabilities, and the application of net proceeds in accordance with its governing document. It is the intention of both the religious and lay trustees that the charity will continue to operate as a going concern until at least 31 December 2021.

Covid-19 Pandemic

Although the pandemic has had an impact on the day to day lives of the Sisters, it has not impacted the finances of the charity. The trustees do not expect that the pandemic will have an adverse impact on finances in the following year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sisters of the Holy Trinity Congregation is an international religious congregation with headquarters in France. It has one convent in England and other assets which are administered by the local Superior who is a trustee, together with a local Council of religious trustees. The local Superior and her Council are appointed for a term of three years by the Congregation's Superior General and her Council. Since February 2020, the local Superior and her Council of religious trustees have been assisted by four lay trustees. The Charity is governed by a Trust Deed dated 28 April 1964 and is registered with the Charity Commission, Charity Registration No 234767.

The trustees are kept informed on charity sector issues by professional advisors and through the resources provided by the Charity's legal advisors and accountant.

The accounts accompanying this report are the accounts of the charitable trust. They record all the assets, which includes the Convent, that it holds in England.

SISTERS OF THE HOLY TRINITY

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Organisation

The Charity has ten Trustees; the Superior General, five other members of the religious order and four lay members. The lay members were appointed to provide the expertise required for the next phase of the charity's operation. The power of appointing new Trustees rests with the present and retiring religious Trustees together. Given the size and nature of the activities of the charity, the religious Trustees also manage the day to day activities of the charity.

Risk Review

The Trustees have undertaken a risk review to identify major risks to which the charity is exposed, in particular, those related to the operations and finances of the Charity and the Trustees are satisfied that systems are in place to mitigate our exposure to the major risks. The Trustees will continue to review major risks on an annual basis.

Public Benefit

In setting the charity's objectives, the Trustees have given due consideration to the Charity Commission's guidance on Public Benefit. The Objectives, Activities, Achievements and Performance section below reflect how the charity fulfils this obligation.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual 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 of the charity 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 period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and with the Trust Deed dated 28 April 1964. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 12th May 2021 and signed on their behalf by:

.....
Sr A M Timmins
Trustee

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SISTERS OF THE HOLY TRINITY

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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

**Longmeade Consult Ltd
Regus House
Victoria Way
Admirals Park
Dartford DA2 6QD**

12th May 2021

.....
Olayinka Tomori ACA DChA

SISTERS OF THE HOLY TRINITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Total 2020 £	Unrestricted Total 2019 £
Income and Endowments:	Notes		
Donations and Legacies		17,680	27,401
Investments:			
Bank deposit interest		6,156	4,619
Rental income from investment properties		21,485	27,407
Other income – gain on disposal of fixed assets		2,000	-
Total Income and Endowments		47,321	59,427
Expenditure on:	2		
Raising funds		7,976	6,422
Charitable Activities		448,528	120,255
Total Expenditure		456,504	126,677
Net (expenditure) before transfers and other gains/(losses)		(409,183)	(67,250)
Gains on revaluation of investment properties	6	-	163,026
Exchange gains		-	8,980
Net movement in funds		(409,183)	104,756
Reconciliation of funds:			
Total fund brought forward		4,483,808	4,379,052
Total funds carried forward		£4,074,625	£4,483,808

All amounts arise from continuing activities and there are no recognised gains or losses other than those shown above in the Statement of Financial Activities.

All the funds in the prior year were unrestricted and therefore the information above suffices for the purposes of disclosure of a comparative Statement of Financial Activities.

The accompanying notes form part of these financial statements.

SISTERS OF THE HOLY TRINITY

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
TANGIBLE ASSETS			
Tangible fixed assets	5	1,875,000	2,171,678
Fixed assets investments	6	920,000	920,000
TOTAL ASSETS		<u>2,795,000</u>	<u>3,091,678</u>
CURRENT ASSETS			
Debtors - Accrued Income		2,464	6,129
Cash at bank and in hand		1,280,341	1,390,692
		<u>1,282,805</u>	<u>1,396,821</u>
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	7	(3,180)	(4,691)
NET CURRENT ASSETS		<u>1,279,625</u>	<u>1,392,130</u>
TOTAL NET ASSETS		<u>£4,074,625</u>	<u>£4,483,808</u>
FUNDS	8		
Unrestricted Funds:			
Designated Building Maintenance Fund		24,000	24,000
General Unrestricted Funds		3,887,599	4,296,782
Revaluation Reserve	6	163,026	163,026
TOTAL FUNDS		<u>£4,074,625</u>	<u>£4,483,808</u>

Approved by the Board of Trustees and authorised for issue on 12th May 2021 and signed on their behalf:

.....
Sr A M Timmins
Trustee

The accompanying notes form part of these financial statements.

SISTERS OF THE HOLY TRINITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The financial statements 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 (FRS 102) (Second Edition effective 1 January 2019) - (Charities SORP (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Although plans for the dissolution of the charity are being considered, the trustees believe there are no material uncertainties about the Charity's ability to continue as a going concern for at least twelve months from the signing of these financial statements.

Covenanted Stipends and Pensions

Covenanted stipends and pensions are received under deeds of covenant from Sisters of Holy Trinity and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

These are recognised in the financial statements when they become receivable.

Donations and Legacies

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

Expenditure

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

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

Irrecoverable VAT is included with the category of expense to which it relates.

Tangible Fixed Assets

Prior to 1 January 1997 all capital expenditure, except land and buildings, were written off as incurred. As at that date, the Trustees estimated the value of fixed assets required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost. The charity has not opted to adopt a policy of revaluation of its fixed assets after initial recognition at cost.

Depreciation is calculated by the straight line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:-

Freehold buildings	50 years
Motor vehicles	5 years
Computers	4 years

The land element of freehold buildings is not depreciated.

Fixed Assets Investments - Investment Properties

Investment properties are included in the financial statements at their current market valuation as obtained by the trustees.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

SISTERS OF THE HOLY TRINITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds earmarked by the trustees for application to a specific purpose.

Statement of cash flows

As a small charity, Sisters of the Holy Trinity is exempt from the requirement to produce a Statement of Cash Flows.

2. EXPENDITURE

	Staff Costs	Other	Depreciation/ impairment	Total 2020	Total 2019
	£	£	£	£	£
Raising funds	-	7,976	-	7,976	6,422
<i>Charitable Activities</i>					
Support of Sisters and their ministry	2,742	138,902	296,678	438,322	113,236
Education and formation of sisters	-	792	-	792	2,051
Missions and charitable grants	-	137	-	137	277
Governance costs	-	9,277	-	9,277	4,691
	<u>2,742</u>	<u>157,084</u>	<u>296,678</u>	<u>456,504</u>	<u>126,677</u>

Expenditure on raising funds includes costs incurred for the maintenance of the charity's investment properties.

Net expenditure is stated after charging:	£	£
Depreciation	50,973	50,973
Impairment	245,705	-
Included in governance costs are:		
Independent examination fees (excl VAT)	<u>£1,750</u>	<u>£1,750</u>

2019 Comparative

	Staff Costs	Other	Depreciation	Total 2019
	£	£	£	£
Raising funds (flats rental costs)	-	6,422	-	6,422
<i>Charitable Activities</i>				
Support of Sisters and their ministry	1,419	60,844	50,973	113,236
Education and formation of sisters	-	2,051	-	2,051
Missions and charitable grants	-	277	-	277
Governance costs	-	4,691	-	4,691
	<u>1,419</u>	<u>74,285</u>	<u>50,973</u>	<u>126,677</u>

SISTERS OF THE HOLY TRINITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. STAFF COSTS	2020 £	2019 £
Wages and salaries	£2,742	£1,419
The average number of employees in the year was:	No	No
Convent	1	1

4. TRANSACTIONS WITH TRUSTEES

The religious trustees are members of the religious Society and have renounced any rights to personal income or capital. Consequently, as members of the Society, the Sisters living expenses during the year were borne by the Society but neither they nor the lay Trustees received remuneration or other benefits in connection with their duties as Trustees during the year.

5. TANGIBLE FIXED ASSETS

	Freehold Building £	Motor Vehicles £	Total £
VALUATION			
At 1 January 2020	2,673,670	11,225	2,684,895
Additions	-	-	-
Disposals	-	(11,225)	(11,225)
At 31 December 2020	2,673,670	-	2,673,670
DEPRECIATION			
At 1 January 2020	501,992	11,225	513,217
Charge for the year	50,973	-	50,973
Impairment	245,705	-	245,705
Disposals	-	(11,225)	(11,225)
At 31 December 2020	798,670	-	798,670
NET BOOK VALUE			
At 31 December 2020	£1,875,000	£-	£1,875,000
At 31 December 2019	£2,171,678	£-	£2,171,678

All fixed assets are used for the direct furtherance of the charity's objects.

Due to the proposed sale of the freehold building, an impairment review was carried out to reflect the asset at its recoverable amount. An independent market valuation of the freehold building was obtained from a qualified chartered surveyor as at 28th February 2020 which valued it at £1.875m. Trustees believe there has been no material change in valuation as the year end and therefore deem it prudent to reflect the asset at independent market valuation in the financial statements. The impairment of £245,705 has been charged to expenditure in the Statement of Financial Activities.

SISTERS OF THE HOLY TRINITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. FIXED ASSETS INVESTMENTS	2020 £	2019 £
Opening balance	920,000	756,974
Revaluation gains	-	163,026
	<u>920,000</u>	<u>920,000</u>

The fixed asset investments are two identical investment properties purchased in 2015 in Bromley, Kent, for £756,974. The trustees obtained an independent market valuation of the properties from a qualified chartered surveyor as at 28th February 2020 of £920,000 and they believe the fair value of the properties as at 31 December 2020 is not materially different from this valuation.

7. CREDITORS: Amounts falling due within one year	2020 £	2019 £
Accruals	<u>3,180</u>	<u>4,691</u>

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		2020 £	2019 £
	General £	Designated £		
Fixed Assets	2,795,000	-	2,795,000	3,091,678
Current Assets	1,258,805	24,000	1,282,805	1,396,821
Creditors – falling due within one year	(3,180)	-	(3,180)	(4,691)
At 31 December 2020	<u>£4,050,625</u>	<u>£24,000</u>	<u>£4,074,625</u>	<u>£4,483,808</u>
At 31 December 2019	<u>£4,459,808</u>	<u>£24,000</u>	<u>£4,483,808</u>	

Included in General Funds are revaluation reserve balances of £163,026 arising from the revaluation of the charity's investment properties in 2019 – see Note 6.

The designated fund is the Building Maintenance Fund set aside by the trustees to meet costs of refurbishments or similar expenses that may be required to the Convent building in the future, prior to a disposal. The designated fund is represented as cash in current assets.