

# **Missionaries of Saint Francis De Sales**

## **Annual Report and Accounts**

31 December 2022

Charity Registration Number

234926

## Contents

### Reports

Reference and administrative information	1
Trustees' report	3
Independent auditor's report	14

### Accounts

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the accounts	27

## Reference and administrative information

<b>Trustees</b>	Rev Benny Joseph Valiyaveettil Rev Paul Gonsalves (resigned 14 April 2023) Rev John Terry McGrath Rev Thomas Kulandaisamy Rev Roy Karakkattu (appointed 14 April 2023)
<b>Provincial</b>	Rev Benny Joseph Valiyaveettil
<b>Provincial Bursar</b>	Rev John Terry McGrath
<b>Principal address</b>	28 Peveril Road Duston Northampton NN5 6JW
<b>Administrative office</b>	4 Christ Church Oval Harrogate HG1 5AJ
<b>Registered Office</b>	1 St. Joseph's Cottage Devizes SN10 1DD
<b>Telephone</b>	01423 817515
<b>Website</b>	<a href="http://www.msfstoday.org">www.msfstoday.org</a>
<b>Charity Registration Number</b>	234926
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Santander Corporate & Commercial 2 Triton Square Regents Place London NW1 3AN
<b>Solicitors</b>	Trueman's Solicitors & Advocates 38 St Aldates Eden House Oxford OX1 1BN

## Reference and administrative information

### Investment managers

BlackRock Investment Management (UK) Limited  
12 Throgmorton Avenue  
London  
EC2N 2DL

The trustees present their statutory report together with the accounts of Missionaries of Saint Francis De Sales (the "charity") for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached accounts and comply with the charity's trust deed, applicable laws 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 Missionaries of Saint Francis de Sales (the "Congregation") (also known as the Fransalian Fathers) is a Roman Catholic religious congregation with a membership of 1,480 priests and brothers worldwide. It was founded in Savoy in 1838. Today, the Generalate is located in Rome. The Congregation is structured into missions, regions, vice-provinces and provinces. At present, England is constituted as a Province with a Provincial appointed by the Superior General.

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

### **Mission**

The object of the English Province of the Congregation of Saint Francis de Sales (ie the charity), as set out in its governing document, is the furtherance of the Roman Catholic faith through pastoral care of churches, education and mission and by caring for members of the Congregation throughout their life.

By its active involvement in various dioceses, the charity aims to re-vitalize parish life, work for the renewal of faith through retreats and counselling, enable and support the members to live out their faith and to put that faith into practice through a variety of religious and other charitable works.

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

The works or ministries of the Fransalian Fathers, and hence the charity, 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 the spirit of Saint Francis de Sales. 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 animation of parishes and churches, involvement in ecumenical dialogue, both with other Christian denominations, as well as members of Jewish and Muslim faiths. They offer spiritual guidance and are also available to listen in times of need, through the giving of retreats and the celebration of the Liturgy, preaching and teaching, as well as through prayer groups and church services and good pastoral care of people.

**Mission** (continued)

***Social and pastoral work***

Many members of the Congregation are involved in various forms of social or pastoral work throughout the country including family support and chaplaincy in hospitals, educational establishments and prisons.

The Fathers aim is to be all things to all people by living a gentle spirit that is open to others and accepting of difference. In particular, their concern is that all people, and especially the poor and marginalised in society, be enabled to live a life that is fully human, no matter what their personal background, faith, gender or individual circumstances.

***Overseas missionary work***

The charity also helps support other Fransalians Fathers working in education, healthcare and social and pastoral fields in Africa and India, thereby helping some of the world's poorest and most disadvantaged people and contributing to the life and work of the Church. The charity supports projects associated with the works in India or Africa which assures financial aid, closer contacts and better understanding of one another.

**Activities, achievements and relevant policies**

As stated above under "Mission", one of the aims of the charity is to care for individual members of the Congregation throughout their lives with the Congregation. The charity seeks to enable and support them to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works, as well as by a life of prayer and personal goodness.

The main work of the charity is to share the mission of the Catholic Church, to be involved in parish renewal, education, in the spirit and model of Saint Francis de Sales.

♦ **Worship and prayer**

Worship and prayer includes: promoting the values and vision set out in the Gospel and the teachings of St Francis de Sales including the promotion of human dignity, teaching respect of different cultures, working for a society based on justice and peace and encouraging care and respect for all creation; celebrating Sunday Mass, providing daily Mass, making provision for baptisms, weddings and funerals; providing religious instruction and supervision; creating opportunities for other public devotions and services; the provision of retreats where those who attend can reflect in a peaceful atmosphere rooted in Gospel values; celebrating the sacrament of Penance, especially during the time of Advent and Lent; praying with those who are house bound, sick or dying; preaching and teaching the Faith.

**Activities, achievements and relevant policies** (continued)

◆ **Social and pastoral work**

The charity enables and supports individual members of the Congregation in ministry and outreach work thereby furthering the message set out in the Gospel to help one another and love one's neighbour.

The following are examples of the social and pastoral work undertaken by individual members: working in parishes, visiting, helping in catechetical programmes and helping parishioners develop their spiritual lives; administrative and secretarial support to Church organisations; pastoral care/chaplaincy in hospitals, hospices, nursing homes; prison visiting; preaching, catechetical instruction and liturgical celebrations with the Syro-Malabar community.

The objectives of the trustees in this area include:

- ◇ Enabling all members of the Congregation to carry out meaningful social and pastoral work within the community after assessing their skills and the needs of the local area;
- ◇ Encouraging and motivating members to work with and assist the poor, elderly and marginalised;
- ◇ Wherever possible, ensuring members are remunerated for such work by way of an offering or stipend. Such income is donated to the charity and thereby ensures that the work of the Congregation and the charity may continue into the future and develop.

◆ **Overseas missionary work**

The charity provides financial support for the Congregation's missions in Africa, as well as specific projects in different parts of India. These are assessed on an individual basis.

The missions are under the control of members of the Congregation and the financial support is used to enable particular works, e.g. set up primary education, provide accommodation and education for street children.

◆ **Grants, donations and support of missionary work and ministry**

Grants, donations and other payments in support of missionary work and ministry are decided on by the trustees in consultation with other members of the Congregation as appropriate. In the main, the charity supports the work of the Congregation in overseas countries.

Whilst the trustees give occasional support to United Kingdom organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

**Activities, achievements and relevant policies** (continued)

***Listed investments - policy***

The charity's listed investments are managed by BlackRock Investment Management (UK) Limited and there are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the trustees from time to time. There is also an ethical policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Roman Catholic Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees who meet with the investment managers regularly.

***Listed investments - performance***

The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report and comply with the ethical guidelines given to them.

During the year the charity's listed investments achieved an income yield of 3%.

The trustees will continue to review performance but, given that they view their investments as being for the long term, they remain confident that the policy adopted is appropriate for the charity.

***Investment properties***

The charity now owns four investment properties located at:

- ♦ St Joseph's Cottage, Devizes (No-2)
- ♦ 83 Princes Road, Teddington
- ♦ 23 Roping Road, Yeovil
- ♦ 27 Queensbury Road, Kettering

The houses have tenants, and the lettings are managed by local estate agents. The investment properties are held to produce a regular income and to protect the charity's capital for the long term.



### **Financial review**

A summary of the year's results may be found on page 19 of the accounts.

Total income in the year was £351,793 (2021 – £683,290 including one substantial donation of £488,954 from The Dympna Centre (Charity Registration No. 296650) which closed during 2021 and transferred certain of its net assets to the charity). Further details of voluntary income are given in note 1 to the attached accounts.

Total expenditure in the year was £274,887 (2021 – £156,038). Expenditure of £254,166 (2021 – £140,703) was incurred in caring for the members of the Congregation and enabling them to carry out their work. Expenditure on raising funds, including costs in respect of rental income amounted in total to £13,489 (2021 – £10,046). Donations in support of the charity's objectives amounted to £7,232 (2021 - £5,289).

Therefore, net income for the year before investment movements was £76,906 (2021 - £527,252). Losses on listed investments of £117,840 (2021 – gains on listed investments of £83,889 together with gains on the revaluation of investment property of £165,000) resulted in a net decrease in funds of £40,934 (2021 – net increase of £776,141).

The balance sheet shows total funds of £3,747,739 (2021 – £3,788,673) of which £574,291 (2021 – £573,311) represents tangible fixed assets of the charity and has been set aside as a separate fund in recognition of the fact that such assets are required to support the day-to-day work of the charity and cannot, therefore, be realised easily if needed to meet future contingencies.

Included in total funds is an amount of £132,558 (2021 – £138,954) which is restricted. These monies comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the accounts, together with an analysis of movements in the year.

£2,000,000 (2021 – £1,750,000) represents the retirement reserve designed to provide income for members in their retirement. The value of the fund has been calculated using actuarial principles. Given the increasing age profile of some of the members and the lack of new vocations, this sum will provide only modest resources to look after the members, many of whom will need increasing, and increasingly expensive, residential and nursing care.

Free reserves available to support the members and their work generally in the future are shown on the balance sheet as general funds and amount to £1,040,890 (2021 – £1,326,408).

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 and the ongoing commitment to care for the members, a level of free reserves of at least two to three years' expenditure is acceptable in order to provide for contingencies and unevenness in future outcome.

### **Financial review** (continued)

At the date of the balance sheet, the level of free reserves was £1,040,890 (2021 – £1,326,408), which equates to over four years' operating expenditure. Free reserves, therefore, are in excess of the above policy. However, given the current macroeconomic and geopolitical climate and the potential impact on world stock markets and inflation, the trustees are of the view that holding excess reserves at the present time is prudent. They believe the reserve levels are adequate but not excessive.

### **Future plans**

The trustees plan to strengthen the presence of the charity in the Catholic Dioceses where it is already active - Northampton, Clifton, Plymouth, where members are already involved in various forms of pastoral ministry. Seven new members arrived from India in 2022 and will support the present work of the Missionaries in the Diocese of Birmingham, Northampton and Westminster.

In the short term, the future plan is to extend the priestly work of the Missionaries in the Archdiocese of Birmingham. Following suitable introduction to local customs and culture, two of the members who arrived from India and joined the Province will be involved in pastoral ministry within the Archdiocese.

This policy will hopefully continue in the medium term. The intention of the trustees is to involve more members from the other Indian provinces of the Fransalians so as to revitalise, diversify and expand its activities in keeping with the set objectives of the charity. With that in view they will be in contact with another two Catholic Dioceses during 2023.

The charity will be associated with the Safeguarding Project of the Conference of Religious in the country during 2023. The plan is to take a more positive role in Safeguarding in the Church of England and Wales.

## **Governance, structure and management**

### **Governance**

In terms of Canon law, the Congregation is governed in the universal church by the Superior General and his General Council in Rome. They are elected every six years at a General Chapter or meeting of representatives of all provinces of the Congregation.

The English mission is governed at present by the Administrator and his Council, who are nominated by the Superior General. Members of the Council are chosen for their personal qualities, their understanding and experience of the ministries of the Fathers throughout England and to secure a good skills mix among them.

The members of the English mission together form an apostolic community.

Whilst they do not all live under one roof, they meet regularly for retreats, in-service and fellowship.

The Provincial is required to visit each member at least once a year.

## **Governance, structure and management** (continued)

### ***Governance*** (continued)

Throughout the year a structure of contact persons facilitates communication and accountability among all the members of the mission and ensures that the Provincial and his Council are aware of the progress and development of the ministries carried out by the members of the mission.

A visitation by the Superior General is made to the English mission once every three years.

In terms of Civil law, the charity is governed by a trust deed dated 23 August 1965 and is a registered charity (Charity Registration Number 234926).

The trustees of the charity are the members of the Council. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

All trustees are members of the Congregation of the Missionaries of Saint Francis De Sales (Fransalian Fathers) and as such 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 and up to the date these accounts were signed and approved are set out as part of the reference and administrative details on page 1 of this annual report and accounts.

### ***Key management personnel***

The trustees consider that they are 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 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 as trustees or key management.

### ***Structure and management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity.

They meet quarterly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment 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.

## **Governance, structure and management** (continued)

### ***Structure and management reporting*** (continued)

Within the English Province at present there are seventeen members of the Congregation. Twelve of these are from other Provinces and are here on 'loan' or for studies but fulfilling pastoral ministry at the same time. They live wherever their mission and work require them to be. Because the members are by calling, 'missionaries', their character and lifestyle is 'apostolic' rather than conventual. That means they go to the mission field, they tend to live alone or in twos, rather than in a monastery, and they take responsibility for remaining in communion and contact with one another. Two older members are living in nursing homes.

Members are involved in the pastoral care of four parishes in the Diocese of Plymouth; three parishes in the Diocese of Clifton; five parishes in the Diocese of Northampton; the administrative house of the Fransalians is in the Diocese of Leeds.

The trustees receive regular reports from the parishes and dioceses to enable them to fulfil their responsibilities and take important decisions with regard to the various ministries and future planning.

### ***Working with other organisations***

The charity works closely with a number of other charities and public bodies which work in the field of church life and ministry, mission, ecumenism, education, and psychological and spiritual well-being. In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to the people we serve to be provided more efficiently and effectively and avoiding duplication of effort. Examples of the organisations for which members have worked and with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Brentwood, Clifton, Leeds, Northampton, and Plymouth
- ◆ Conference of Bishops of England and Wales
- ◆ The Dympna Centre
- ◆ Conference of Religious of England and Wales (COREW)

### ***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.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

**Governance, structure and management** (continued)

***Risk management*** (continued)

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care. 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 setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual members encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ 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 members who are in any kind of ministry in Great Britain having to obtain clearance through the Disclosure and Barring Service (DBS). Safeguarding is not simply about 'allegations' - at its core is good practice, good care and a concern for people. The DBS form is personal to every member and must be renewed every three years. The trustees arranged for the Congregation in England to be aligned for safeguarding purposes with the Diocese of Northampton. The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA). Safeguarding is an essential element of our life as Fransalians. It is a positive aspect in all our meetings and our commitment to it is displayed on our website.
- ◆ From time to time the charity donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by the 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.
- ◆ One of the charity's principal assets comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs- both now and in the future.

**Governance, structure and management** (continued)

***Risk management*** (continued)

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

**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);
- ◆ 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, the 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.

**Employees, volunteers and members of the congregation**

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

Signed on behalf of the trustees:

Terry McGrath

Trustee

Approved on: 24 October 2023

**Independent auditor's report to the trustees of Missionaries of Saint Francis De Sales**

**Opinion**

We have audited the accounts of Missionaries of Saint Francis De Sales (the charity) for the year to 31 December 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the 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 2022 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' 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.

***How the audit was considered capable of detecting irregularities including fraud***

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 those charged with governance 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 and 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) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of 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)**

***How the audit was considered capable of detecting irregularities including fraud (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;
- ◆ Carried out substantive testing of expenditure;
- ◆ 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 accounts disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of 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.

We did not identify any irregularities, including fraud.

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](http://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.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

25th October 2023

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 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total £	Un-restricted funds £	Restricted funds £	2021 Total £
<b>Income from:</b>							
Donations	1	262,406	—	262,406	465,209	138,954	604,163
Investments	2	89,387	—	89,387	79,127	—	79,127
<b>Total income</b>		<b>351,793</b>	<b>—</b>	<b>351,793</b>	<b>544,336</b>	<b>138,954</b>	<b>683,290</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment property fees		13,489	—	13,489	10,046	—	10,046
Charitable activities							
. Support of members of the Congregation and their ministry		247,770	6,396	254,166	140,703	—	140,703
. Donations in support of miscellaneous charitable activities		7,232	—	7,232	5,289	—	5,289
<b>Total expenditure</b>		<b>268,491</b>	<b>6,396</b>	<b>274,887</b>	<b>156,038</b>	<b>—</b>	<b>156,038</b>
<b>Net income (expenditure) before net investment (losses) gains</b>		<b>83,302</b>	<b>(6,396)</b>	<b>76,906</b>	<b>527,252</b>	<b>—</b>	<b>527,252</b>
Net (losses) gains on listed investments	9	(117,840)	—	(117,840)	83,889	—	83,889
Net gains on investment properties	9	—	—	—	165,000	—	165,000
<b>Net (expenditure) income and net movement in funds</b>	5	<b>(34,538)</b>	<b>(6,396)</b>	<b>(40,934)</b>	<b>637,187</b>	<b>138,954</b>	<b>776,141</b>
<b>Reconciliation of funds</b>							
Balances at 1 January 2022		3,649,719	138,954	3,788,673	3,012,532	—	3,012,532
<b>Balances at 31 December 2022</b>		<b>3,615,181</b>	<b>132,558</b>	<b>3,747,739</b>	<b>3,649,719</b>	<b>138,954</b>	<b>3,788,673</b>

All of the charity's activities derived from continuing operations during the above two financial periods.

A separate statement of recognised gains and losses is not required as all gains and losses are included in the above statement of financial activities.

## Balance Sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	8		<b>574,291</b>		573,311
Investments	9		<b>2,451,831</b>		<u>2,869,671</u>
			<b>3,026,122</b>		3,442,982
<b>Current assets</b>					
Debtors – accrued investment income		<b>1,968</b>		—	
Cash at bank and in hand		<b>738,649</b>		356,741	
		<b>740,617</b>		356,741	
<b>Creditors:</b> amounts falling due within one year	10	<b>(19,000)</b>		(11,050)	
<b>Net current assets</b>			<b>721,617</b>		345,691
<b>Total net assets</b>			<b>3,747,739</b>		<u>3,788,673</u>
<b>The funds of the charity</b>					
Unrestricted funds					
. Tangible fixed assets fund	11		<b>574,291</b>		573,311
. Designated funds	12		<b>2,000,000</b>		1,750,000
. General funds			<b>1,040,890</b>		<u>1,326,408</u>
			<b>3,615,181</b>		3,649,719
Restricted funds	13		<b>132,558</b>		<u>138,954</u>
			<b>3,747,739</b>		<u>3,788,673</u>

Approved by the trustees and signed on their behalf by:

Terry McGrath

Trustee

Approved by the trustees on: 24 October 2023

## Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>15,437</b>	111,302
<b>Cash flows from investing activities:</b>			
Investment income – listed investments and interest		<b>87,419</b>	79,127
Purchase of tangible fixed assets		<b>(20,948)</b>	(9,500)
Proceeds from the disposal of listed investments		<b>300,000</b>	—
<b>Net cash provided by investing activities</b>		<b>366,471</b>	69,627
<b>Change in cash and cash equivalents in the year</b>		<b>381,908</b>	180,929
Change in cash and cash equivalents due to exchange rate movements		—	(2,324)
<b>Cash and cash equivalents at 1 January 2022</b>		<b>356,741</b>	178,136
<b>Cash and cash equivalents at 31 December 2022</b>	B	<b>738,649</b>	356,741

### Notes to the statement of cash flows for the year to 31 December 2022.

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

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(40,934)</b>	776,141
<b>Adjustments for:</b>		
Depreciation	<b>9,744</b>	8,203
Loss on disposal of tangible fixed assets	<b>10,224</b>	—
Donation received in kind (note 1)	—	(350,000)
Losses (gains) on listed investments	<b>117,840</b>	(83,889)
Gains on investment properties	—	(165,000)
Investment income	<b>(89,387)</b>	(79,127)
Foreign exchange losses	—	2,324
Increase in debtors	<b>(1,968)</b>	—
Increase in creditors	<b>9,918</b>	2,650
<b>Net cash provided by (used in) operating activities</b>	<b>15,437</b>	111,302

#### B Analysis of changes in cash and cash equivalents

	At 1 January 2022 £	Cash flows £	Exchange losses £	At 31 December 2022 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<b>356,741</b>	<b>381,908</b>	<b>—</b>	<b>738,649</b>

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

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

**Basis of preparation**

These accounts have been prepared for the year to 31 December 2022 with comparative information provided for the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these 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 United Kingdom 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 judgements and estimates have been made include:

- ◆ determining the value of gifts in kind;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining an annual depreciation charge;
- ◆ estimating the fair value of the charity's investment properties;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

**Assessment of going concern**

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



**Assessment of going concern** (continued)

In the aftermath of the Covid-19 pandemic and given the current macroeconomic and geopolitical climate the trustees will keep all income and expenditure under review. Whilst there will undoubtedly be challenges ahead, the trustees do not expect concerns to arise over the charity's financial position. Therefore, the trustees 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 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**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 investment income i.e. dividends, rental income and interest receivable.

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.

Donations received in kind (including the donation of land and buildings) are recognised at their fair value at the date of the gift, which in the case of assets is deemed to be open market value on the date of transfer of the asset.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates.

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 to the bank.

### **Expenditure recognition**

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.

The costs of raising funds include direct costs and overheads associated with managing investment property and listed investments.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- a Expenditure on raising funds comprises expenditure of the management and maintenance of the charity's investment properties.
- b Expenditure on the support of members of the Congregation and their ministry which enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic religion. Such expenditure includes:
  - ◆ Premises costs
  - ◆ Members' living and personal expenses
  - ◆ Education, training and spiritual renewal costs
  - ◆ Governance costs

Governance costs comprise the costs directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

- c Donations in support of miscellaneous charitable activities. These are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Expenditure is attributable directly to specific activities and does not include any element of apportionment.

All expenditure is stated inclusive of irrecoverable VAT.

### **Tangible fixed assets**

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

### **Tangible fixed assets** (continued)

◆ Churches and similar properties

The trustees are the legal owners of a church and similar land and buildings situated within parishes operated by the charity. In the event of the charity ceasing its work in any of the parishes, the trustees may consider themselves obliged to allow such assets to be used indefinitely to meet the needs of the parish for its church and similar property. As such assets are not, therefore, susceptible to a meaningful valuation and there is no reliable information as to their cost, they are excluded from the accounts

◆ Other freehold land and buildings

Freehold land and buildings used to house members of the Congregation and so designed as, and used wholly or mainly for, private residential accommodation are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a five year period on a reducing balance basis in order to write off each vehicle over its estimated useful life.

### **Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment are included in the accounts at the estimated current market value of the relevant property. The valuations are determined by the trustees after consultation with their professional property advisers. Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their 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.

**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.

**Fund accounting**

The unrestricted funds of the charity are all unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity, the trustees have designated amounts for specific purposes. Details of these are provided in notes 11 and 12.

Restricted funds are to be used for specified purposes as laid down by the donor. Details of such funds are provided in note 13.

**Services provided by members of the Congregation**

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

## 1 Income from: Donations

	2022 Total funds £	2021 Total funds £
Pastoral offerings, stipends and general donations	135,784	72,738
Salaries and pensions of individual religious received under deed of covenant	126,622	42,471
Donations from The Dympna Centre (Charity Registration Number 296650):		
. Cash	—	138,954
. Freehold land and buildings	—	350,000
	<b>262,406</b>	<b>604,163</b>

On 18 October 2021, the Trustees of The Dympna Centre (Charity Registration Number 296650) legally transferred its assets, including property and cash, as a gift to the Missionaries of Saint Francis De Sales as both charities share common aims and objectives, namely the promotion of the Catholic faith.

This arrangement was formalised by the solicitors of both charities and the appropriate deeds from the Land Registry marked the transfer of ownership. When the property was donated, it was stated that it should be used as the residential property for one member of the Congregation for as long as he wishes, and that when the member no longer had need of the property, it is entirely at the disposal of the Missionaries of Saint Francis de Sales. The property was recognised at its fair value at the date of the gift, which was deemed to be open market value as at that date.

It was also stated that the cash balance of £138,954 should be used for any repair and upkeep to the property. The cash donation has been treated in these accounts as a restricted asset (see note 14). When the member no longer has need of the property, it will also be at the disposal of the Missionaries of Saint Francis De Sales.

## 2 Income from: Investments

	2022 Total funds £	2021 Total funds £
Income from listed investments	27,111	28,185
Bank interest	1,686	14
Rent receivable	60,590	50,928
	<b>89,387</b>	<b>79,127</b>

### 3 Expenditure on: Support of members of the Congregation and their ministry

	2022 Total funds £	2021 Total funds £
Premises costs	17,536	10,344
Members' living and ministry expenses	224,217	121,759
Education, training and spiritual renewal	1,870	3,408
Governance costs (note 4)	10,543	5,192
	<b>254,166</b>	<b>140,703</b>

### 4 Governance costs

	2022 Total funds £	2021 Total funds £
Independent auditor's fees	10,200	5,160
Bank charges	343	32
	<b>10,543</b>	<b>5,192</b>

### 5 Net (expenditure) income and net movement in funds

This is stated after charging:

	2022 £	2021 £
Independent auditor's fees	10,200	5,160
Depreciation on tangible fixed assets	9,744	8,203
Operating lease payments – motor vehicles	3,396	6,065
Foreign exchange losses	—	2,324

### 6 Staff costs and trustees' remuneration

The charity does not employ any staff. No employee earned £60,000 per annum or more (including taxable benefits) during the year (2021 – none).

As members of the Congregation, the trustees' living 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 (2021 – £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees. The total remuneration (including taxable benefits but excluding employer's pension and national insurance contributions) of the key management personnel for the year was £nil (2021 – £nil).

## 6 Staff costs and trustees' remuneration (continued)

As members of the Congregation, none of the trustees have resources of their own as all of their earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant.

## 7 Taxation

Missionaries of Saint Francis de Sales is a registered charity and, therefore, is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2022	540,500	74,968	<b>615,468</b>
Additions	—	20,948	<b>20,948</b>
Disposals	—	(18,000)	<b>(18,000)</b>
At 31 December 2022	<u>540,500</u>	<u>77,916</u>	<u><b>618,416</b></u>
<b>Depreciation</b>			
At 1 January 2022	—	42,157	<b>42,157</b>
Charge for the year	—	9,744	<b>9,744</b>
Eliminated on disposal	—	(7,776)	<b>(7,776)</b>
At 31 December 2022	<u>—</u>	<u>44,125</u>	<u><b>44,125</b></u>
<b>Net book values</b>			
At 31 December 2022	<u>540,500</u>	<u>33,791</u>	<u><b>574,291</b></u>
At 31 December 2021	<u>540,500</u>	<u>32,811</u>	<u><b>573,311</b></u>

On 18 October 2021, the Trustees of The Dympna Centre (Charity Registration Number 296650) legally transferred its assets, including property and cash, as a gift to the Missionaries of Saint Francis De Sales as both charities share common aims and objectives, namely the promotion of the Catholic faith. This arrangement was formalised by the solicitors of both charities and the appropriate deeds from the Land Registry marked the transfer of ownership. When the property was donated, it was stated that it should be used as the residential property for one member of the Congregation for as long as he wishes, and that when the member no longer had need of the property, it is entirely at the disposal of the Missionaries of Saint Francis de Sales. The property was recognised at fair value at the date of the gift, which is deemed to be open market value as at that date.

There were no capital commitments at the end of the year (2021 – none).

## 9 Investments

Fixed asset investments comprised:

	2022 £	2021 £
Freehold investment properties	1,840,000	1,840,000
Listed investments	611,831	1,029,671
	<b>2,451,831</b>	<b>2,869,671</b>

Movements on each category of investments are summarised below:

Freehold investment properties	2022 £	2021 £
Market value at 1 January	1,840,000	1,675,000
Gains on revaluation	—	165,000
Market value at 31 December	<b>1,840,000</b>	<b>1,840,000</b>

The fair values of the investment properties have been considered by the trustees, after consultation with professional advisers and property experts. The trustees are of the view that there has been no material movement in the fair value of the properties during the year (2021 - increase in valuation of £165,000).

Listed investments	2022 £	2021 £
<b>Listed investments</b>		
Market value at 1 January	1,029,671	945,782
Market value removed on disposal	(325,810)	—
Unrealised (losses) gains	(92,030)	83,889
Market value at 31 December	<b>611,831</b>	<b>1,029,671</b>

All listed investments were dealt on a recognised stock exchange.

Listed investments held at 31 December comprised the following:

	2022 £	2021 £
Equity based common investment funds	544,906	959,741
UK equities	56,925	69,930
	<b>611,831</b>	<b>1,029,671</b>

The historical cost of listed investments at 31 December 2022 was £511,829 (31 December 2021: £626,067).



## 9 Investments (continued)

At 31 December 2022, the listed investment portfolio included the following investments deemed to have a material value:

	2022 Value of holding £	2022 Percentage of the market value of portfolio %
BlackRock Catholic Charities & Growth Fund A Income	544,906	90.7
Aviva plc 8.34% Cumulative Irredeemable Preference Shares	56,925	9.3

## 10 Creditors – amounts falling due within one year

	2022 £	2021 £
Accruals	19,000	11,050

## 11 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	573,311	222,014
Net movement in the year	980	351,297
At 31 December 2022	574,291	573,311

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. The fund recognises the fact that such assets are required for the day-to-day work of the charity and are not available for other purposes or as a general reserve.

## 12 Designated funds

The unrestricted funds of the charity include the following fund designated for a specific purpose:

	2022 £	2021 £
<b>Retirement fund</b>		
At 1 January 2022	1,750,000	1,750,000
Designated during the year	250,000	—
At 31 December 2022	2,000,000	1,750,000

The retirement reserve has been calculated using actuarial principles and consists of monies set aside by the trustees to assist in providing for the members of the Congregation in their retirement.

**13 Restricted funds**

	2022 £	2021 £
At 1 January 2022	<b>138,954</b>	—
Income	—	138,954
Expenditure	<b>(6,396)</b>	—
At 31 December 2022	<b>132,558</b>	138,954

The restricted fund above represents the cash donated by The Dympna Centre (Charity Registration Number 296650). The Dympna Centre legally transferred its assets, including property and cash, as a gift to the Missionaries of Saint Francis De Sales as both charities share common aims and objectives, namely the promotion of the Catholic faith.

When the cash balance of £138,954 was transferred, it was stated that it should be used for any repair and upkeep to the property transferred by the charity, which is to be used as the main residence for one member of the Congregation. When the member no longer has need of the property, it is entirely at the disposal of the Missionaries of Saint Francis De Sales, along with the remaining cash balance.

**14 Analysis of net assets between funds**

	General fund £	Tangible fixed assets fund £	Designated fund £	Restricted fund £	Total funds £
<b>Fund balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	—	<b>574,291</b>	—	—	<b>574,291</b>
Fixed asset investments	<b>451,831</b>	—	<b>2,000,000</b>	—	<b>2,451,831</b>
Net current assets	<b>589,059</b>	—	—	<b>132,558</b>	<b>721,617</b>
<b>Total net assets</b>	<b>1,040,890</b>	<b>574,291</b>	<b>2,000,000</b>	<b>132,558</b>	<b>3,747,739</b>

	General fund £	Tangible fixed assets fund £	Designated fund £	Restricted fund £	Total funds £
<b>Fund balances at 31 December 2021 are represented by:</b>					
Tangible fixed assets	—	573,311	—	—	573,311
Fixed asset investments	1,119,671	—	1,750,000	—	2,869,671
Net current assets	206,737	—	—	138,954	345,691
<b>Total net assets</b>	<b>1,326,408</b>	<b>573,311</b>	<b>1,750,000</b>	<b>138,954</b>	<b>3,788,673</b>

#### 14 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2022 constitutes movements on revaluation and are as follows:

	2022 £	2021 £
<b>Unrealised gains included above:</b>		
On investment properties	905,850	905,850
On listed investments	100,002	403,604
<b>Total unrealised gains at 31 December 2022</b>	<b>1,005,852</b>	<b>1,309,454</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2022	1,309,454	1,060,565
Gains arising on revaluation of investment properties	—	165,000
Disposal of listed investments	(211,572)	—
(Losses) gains arising on revaluation of listed investments	(92,030)	83,889
<b>Total unrealised gains at 31 December 2022</b>	<b>1,005,852</b>	<b>1,309,454</b>

#### 15 Operating lease commitments

At 31 December 2022 the charity had total commitments under non-cancellable operating leases as follows:

	Motor vehicles	
	2022 £	2021 £
<b>Charity</b>		
Operating lease commitments:		
Within one year	11,213	4,068
Within two to five years	—	10,690
	<b>11,213</b>	<b>14,758</b>

#### 16 Transactions with trustees and related parties

The charity's trustees are also members of the English Province of the Congregation of the Missionaries of Saint Francis De Sales and, consequently, their living and personal expenses, all of which are consistent with amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2021 – £nil).

As members of the Congregation, none of the trustees who are members of the English Province of the Congregation have resources of their 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 these four trustees to the charity was £54,555 (2021 – £35,116).

There were no other related party transactions during the year (2021 – none).

**17 Ultimate control**

The charity, which is constituted as a trust, was controlled throughout the period by the Missionaries of Saint Francis de Sales by virtue of the fact that the trustees are governed by the Superior General and his General Council in Rome. The Congregation in England and Wales does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in England and Wales.

**18 Post balance sheet event**

On 31 March 2023, the charity acquired an investment property in Harrogate, North Yorkshire for a purchase price of £290,000.