

**Daughters of  
Charity of St  
Vincent de Paul  
Charitable  
Trust**

**Annual Report and Accounts**

31 December 2020

Charity Registration Numbers  
236803 (England and Wales)  
SC039155 (Scotland)

## Contents

### Reports

Reference and administrative details of the Charity, its Trustees and Advisers	1
Trustees' Report	3
Independent Auditor's report	32

### Accounts

Statement of financial activities	36
Balance sheet	38
Statement of cash flows	39
Principal accounting policies	41
Notes to the accounts	51

## Reference and administrative details of the Charity, its Trustees and Advisers

<b>Trustees</b>	Sister Moira Bain Sister Ellen T Flynn Sister Kathleen Fox Sister Kay Harte Sister Sarah King-Turner (appointed 5 March 2021) Sister Theresa Tighe Sister Maureen Tinkler (appointed 17 February 2021)
<b>Sister Provincial</b>	Sister Ellen Flynn
<b>Provincial Treasurer</b>	Sister Sarah King-Turner
<b>Principal office</b>	Provincial House The Ridgeway Mill Hill London NW7 1RE
<b>Telephone</b>	020 8959 2257
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<b>Charity Registration Numbers</b>	236803 (England and Wales) SC039155 (Scotland)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc Fenton House 85-89 New London Rd Chelmsford Essex CM2 0PP
<b>Investment Managers</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

## Reference and administrative details of the Charity, its Trustees and Advisers

### Solicitors

Womble Bond Dickinson LLP  
4 More London Riverside  
London  
SE1 2AU

Holmes Mckillop  
109 Douglas Street  
Blythswood Square  
Glasgow  
G2 4HB

The Trustees present their statutory report together with the accounts of the Daughters of Charity of St Vincent de Paul Charitable Trust (the Charity) for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 41 to 50 of the attached accounts and comply with the Charity's Trust Deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of 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 Daughters of Charity of St Vincent de Paul (the Congregation) is an international Roman Catholic Religious Community of Women who have dedicated their lives to the service of poor, vulnerable and marginalised people. It was founded in France where its Generalate has its headquarters and is divided into a number of distinct Provinces in 91 countries, one being the British Province.

The Charity is a Charitable Trust on which the assets of the Congregation in England, Wales and Scotland are held. The Charity is governed by a Trust Deed dated 5 June 1964 and is registered under the Charities Act 2011 - Charity Registration No. 236803 (England and Wales). The Charity is also a registered charity in Scotland, Charity Registration No. SC039155 (Scotland).

## **MISSION**

The object of the Daughters of Charity of St Vincent de Paul Charitable Trust, as set out in its governing document, is for *'such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction of the society.'* Thus, it supports the charitable and religious works carried out by the members of the British Province of the Congregation.

By caring for the members of the Congregation throughout their lives, the Charity aims to enable and support the Sisters to live out their faith in the spirit of their founders, St Vincent de Paul and St Louise de Marillac, through the service of those most in need in society today.

The service or works of the Sisters of the Congregation are undertaken in the spirit of their founders, St Vincent de Paul and St Louise de Marillac who, in seventeenth century France, instilled into the first members of the Congregation the values of compassion, respect, love, forgiveness, justice and dignity.

## **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

The Sisters serve people of all cultures, religions and creeds with particular emphasis on those who are vulnerable in any way or suffering from poverty and injustice. Their 'work' falls into the following five areas:

1. Worship and Prayer
2. Social and Pastoral Work
3. Projects and Services – Marillac Neurological Care Centre (MNCC)
4. Caring for Members of the Congregation
5. Overseas Missionary Work

Each of the above areas is considered in turn over the next few pages.

### **1. WORSHIP AND PRAYER**

#### ***Activities and specific objectives***

*"The apostolic action of the Daughters of Charity draws its strength from contemplation following the example of the Son of God who, intimately united with His Father, often went aside to pray." (Constitution C21a)*

Each member of the Congregation is given every opportunity for daily private and communal prayer, times of worship and an annual eight day retreat for the development of her own personal understanding of and relationship with Jesus Christ.

Many opportunities are given to the wider community to join the Sisters during their times of prayer, as well as offering facilities for quiet times of reflection and/or study to people of all faiths and none. Throughout the Province, Sisters lead prayer services and offer spiritual guidance to people in their own homes, in hospitals, as well as in local parish churches. Opportunities to study and reflect on the life and spirit of the founders of the Congregation – St Vincent de Paul and St Louise de Marillac – as well as the Constitutions of the Congregation, are organised each year. Workshops on the Vincentian spirit and values are also offered to all the various organisations (religious and lay) throughout Britain who share this spirit.

The spiritual development and on-going formation of the Sisters is thus given utmost importance, as this is the foundation of all their charitable works and every service they give to people, especially those who are poor.

The Charity is committed to helping as many people as possible to join with the Sisters in living out the call of the Gospel to love God and thy neighbour.

Specific examples of this are as follows:

- Promoting the vision and values set out in the Gospel, including the promotion of human dignity and respect for all peoples and cultures, with special emphasis on those who are poor and vulnerable in our society.

## **1. WORSHIP AND PRAYER** (continued)

### ***Activities and specific objectives*** (continued)

- Having an open-door policy in many of our establishments, enabling people to come in and spend some quiet time in prayer and reflection.
- Leading short prayer services in the homes of those who are housebound and in residential care.
- Having a recognised office from where medals associated with Mary, the Mother of Jesus, are distributed to individuals and groups. This medal is known throughout the world as the 'Miraculous Medal'.
- Involvement in parish liturgies and celebration of the Sacraments especially with children and those wishing to become members of the Catholic Church.
- Providing opportunities for prayer and reflection for those who have been bereaved.
- Providing a daily structure of times for prayer and reflection as well as annual retreats for the members of the Congregation.
- Organising workshops and meetings on the spirit of the founders and the Constitutions of the Congregation.

The Sisters' personal and common life of prayer and their ever-deepening understanding of the spirituality of St Vincent de Paul and St Louise de Marillac, forms the bedrock from which stems all aspects of their service to people who are vulnerable.

## **2. SOCIAL AND PASTORAL WORK**

### ***Activities and specific objectives***

Many members of the Congregation are involved in various forms of social or pastoral work throughout England, Wales and Scotland. This includes chaplaincy in hospitals, support of families and vulnerable children, especially those who are living in poverty, the befriending of elderly people, especially those living alone and in isolation, advocacy and practical help to asylum seekers, refugees and homeless people.

As the members of the Congregation devote their lives to serving people who are in need, many members are involved in various forms of social or pastoral work throughout England, Wales and Scotland in a voluntary capacity. The Mission Statement states:

*'We choose to stand at "the cutting edge" with vulnerable and marginalised people and to open our eyes to the global issues of our world today.'*

The following are examples of the activities undertaken by individual Sisters:

- **Hospital / hospice chaplaincy work** where Sisters aim to provide comfort and a listening ear to those who are ill and support to their families and hospital staff. They pray with and on behalf of those who are ill as well as giving Holy Communion to those who wish to receive it.

## 2. SOCIAL AND PASTORAL WORK (continued)

### *Activities and specific objectives (continued)*

- **Visiting of vulnerable elderly people**, the object of which is to befriend, support and care practically for elderly people, especially those living alone and isolated in inner city areas.
- **Advocacy and assistance to asylum seekers and refugees**, the object of which is to support and to give a voice to those trying to survive in an alien culture, far from their homeland and family.
- **Working with people who are homeless**, the aim of which is to uphold their dignity and offer practical help, advice and rehabilitation.
- **Caring for people with disability**. Sisters provide pastoral care for people with a) visual impairment and b) learning disability. This care extends to the families and staff.
- **Parish work**, in which Sisters support local people, both young and elderly in a variety of ways, for example: spending time with those who are frail and lonely, bringing them Holy Communion and helping them to attend church services, and arranging social and catechetical activities for children.
- **Human trafficking awareness raising**, a new initiative in which four Sisters representing different geographical areas in the UK have become involved in small ways with local agencies working for the relief of victims of human trafficking. The Sisters also aim to heighten the awareness of the Province of the tragedy of this poverty which is sadly growing at an alarming rate in every town and city in the UK.

The objectives of the Trustees in this area include:

- To be faithful to the charism of the Congregation by offering service to those most in need in our society.
- To ensure that members of the Congregation receive appropriate training for the ministries in which they are involved.
- To be alert to needs as they appear and to respond when possible.
- To ensure, whenever possible, that Sisters are remunerated for their work by way of salary or stipend. Such income is given directly to the Charity, ensuring that the work of the Charity may continue into the future and develop.



## 2. SOCIAL AND PASTORAL WORK (continued)

### ***Covid -19 – impact and response***

The Covid-19 virus came as a thief in the night; a world-wide pandemic often likened to the Spanish flu of the 1920's. Its effect was to rob people of their livelihoods, children of their education, and thousands of people their access to healthcare; be it of planned surgery or on-going treatments for cancer. For a short period of time there were potential shortages of essential goods in supermarkets causing stock piling. In short, it caused an acute and chronic exacerbation of fear and loneliness, further enhanced by 'lockdown'. From the initial shock of being confined to a state of almost house arrest, people volunteered in their thousands to offer support often in the smallest of ways to vulnerable and elderly people.

The Daughters of Charity of St Vincent de Paul in each of their houses throughout Great Britain made a concerted effort to be part of this 'army of goodness'. The response was unique and focussed to their particular areas, but also global in their prayer for the needs of the world: Their ministry to be solace to the bereaved, listening ears to the lonely and a smiling face beneath a mask delivering essential goods to those most in need. Just simple, small acts of kindness to make a difference.

In Scotland, no longer able to visit and continue face-to-face pastoral care in a local parish in Glasgow, regular telephone ministry has been a key to continuity of care. This telephone ministry and the use of Zoom has been a boom to connectedness, a familiar voice is not a substitute for personal visits but it certainly fills a lonely heart with hope and the assurance of belonging to a Church community that has not forgotten them. One Sister volunteers with the Simon community sorting and packing essential goods in the warehouse. Menial work with the extraordinary reward of gratitude. Chest, Heart and Stroke Scotland called for volunteers for their 'Kindness Caller Scheme' to deliver shopping to people shielding in their own homes and this too has been part of the ministry of the Sisters in Glasgow.



## 2. SOCIAL AND PASTORAL WORK (continued)

### *Covid -19 – impact and response (continued)*



The Louise Project – The Space, is a subsidiary of the Daughters of Charity of St Vincent de Paul Services (DC Services) and its main focus is service to the Roma community. During lockdown three of the Sisters based in Glasgow have been helping to pack, collect and deliver food parcels and vital goods to the Roma community who would have normally made good use of the community and educational facilities The Space offers. A listening service has also been set-up; a dedicated phone line for help and support operated around the clock.

Over to the east of Scotland, to the south of Edinburgh, nestles the small village of Rosewell, which has been associated with the Daughters of Charity for almost 100 years. St Joseph's is now a subsidiary of DC Services and cares for people in the community with learning disabilities. St Joseph's has a large staff team caring for approximately 80 – 90 clients in shared and individual homes. Two Sisters still contribute to the life of the village and to the pastoral care of the clients.

As Daughters of Charity we are not immune or untouched by the hardships that this pandemic has brought: confinement, remoteness from family, cancellations of hospital appointments etc. One Sister stated that 'part of our role is the acceptance of infirmities/limitations in solidarity with our neighbours and to be present to them for now, at the end of a telephone,' *"to weep with those who weep and to rejoice with those who rejoice!"*

Moving down from Rosewell to the north eastern coast and the City of Hull, our Sisters here have been active in the changing face of their various ministries, from person-to-person to face-to-face meetings on Zoom for Adult Formation. They too have been helping the local Methodist Minister in the packing and preparation of food parcels. As a little extra, some of the community have been baking scones and leaving little parcels through parishioners' letter boxes. These little parcels are as anonymous as the source of the virus, but convey their care for their neighbours in a mouthful of home-made delight!

## **2. SOCIAL AND PASTORAL WORK** (continued)

### ***Covid -19 – impact and response*** (continued)

Our next hub of activity is in Hulme, Manchester. In the initial stages of the pandemic The Marillac, our nursing facility in Essex for people with Acquired Brain Injury, were looking for laundry bags for the staff, so that they could deposit their nursing scrubs/uniforms after the shift and put them straight into the wash. The Sisters in Hulme set about making these bags and The Marillac was delighted to receive them, every little helped in infection control and to keep the virus contained. The community were involved in preparing food parcels with the St Vincent De Paul Society members, and they also donated gift and food parcels for Christmas to the local school. Life had changed but still went on! The teaching of English to refugees went ahead on zoom, as well as a ministry of pastoral care via the telephone, heralding hope for the future.



Moving east along the M62 to Liverpool. Unable to visit the residents in Christopher Grange, because of the restrictions placed on care homes, the Sisters living there, like the Hulme community, made themselves useful in making laundry bags for the staff in The Marillac. Although not able to visit the units the Sisters were a reminder to staff and residents that they were being cared for in their daily prayers. Pastoral care has taken on a new shape throughout the Province.

The efforts of the three houses in Southport during the pandemic can be expressed as, prayer, prayer and more prayer! The Sisters in St Louise's and Santa Barbara helped with food collections in the local parish for the food parcels and for the local Food Bank. The Parish Priest was also keen that the communities prayed for all bereaved families, and especially the people of the Parish who were bereaved.

Cardiff, our only remaining house in Wales, gave daily support to vulnerable Asylum Seekers, and one Sister continues to work with a team to lobby the Government to move these vulnerable people off the streets into suitable accommodation. This work with people seeking asylum is a unique project and, as day services to this group of people have come to a halt at present, and there is little help available to them, contact is maintained by Zoom and telephone when available!

## 2. SOCIAL AND PASTORAL WORK (continued)

### *Covid -19 – impact and response (continued)*

The first house encountered in London, about a ten-minute drive from the M1 is The Provincial House. The work here of the Sisters is mainly concerned with the administration of the business of the Province. During the initial phase of the 'lockdown' they hosted two other communities within their bubble, Abbey Wood and Horseferry Road. They, too, were mindful of the needs of the world and brought the various needs to prayer daily. Sisters were still able to access their offices on-site and were able to keep the rest of the Province viable. Zoom became the fulcrum of communication, and connectedness. The Provincial is based here and she must be the world's most experienced at Zoom; keeping the Sisters around the Province in-touch and informed, as well as being eager to let the Sisters know if there were other areas of service to respond to during this time of lockdown. It could be likened to an operations room during the war, directing troops against, in this instance, an unseen enemy.

The Sisters in Farmside, in Pinner, were unable to visit St Vincent's Nursing Home, but continued in the usual manner to have prolonged periods of prayer for the intentions of staff and residents, as well as the intentions of the parish. One Sister kept up telephone contact with the people she usually visited in her parish.

In Central London, The Passage, normally a thriving hub of activity and service to homeless people, found temporary accommodation for most of their clients. The Sisters live on this same site and had an increasing number of homeless people come to their door with varying needs and requests. One young man had been abandoned by his friend and was homeless. He had a sister who lived on the south coast and knew if he could get to where she was living he would get a place. He was polite, gentle and grateful when a bus ticket was bought for him, and food to keep him going; he said he had never encountered such concern and kindness. Homelessness was less evident in the first phase of lockdown but there were some who still seemed to prefer the familiarity of London streets for whatever reason. The Sisters were there as continuity, as a touchstone of familiarity, and as a subtle non-judgemental presence. They prayed daily and intentionally for the needs of the world at the height of the pandemic.



St Irenaeus was once asked that if he knew that the world would end tomorrow what would he do? He replied that he would keep on sweeping the corridor. In other words, he would keep on doing what he had been asked to do. As Daughters of Charity we continue our lives of service through this pandemic, and it may look entirely different to what it did 12 months ago, but we are trying to respond creatively and simply to evolving needs in our Province.

### **3. PROJECTS AND SERVICES - MARILLAC NEUROLOGICAL CARE CENTRE (MNCC)**

MNCC has experienced Covid-19 and the global pandemic first hand. During the year it had cases of Covid in the building and managed and limited the spread effectively.

The pandemic has caused MNCC to follow Public Health England (PHE) and Government advice stringently. This has included the use of PPE and the restriction of workers and visitors. PPE costs have risen at an exponential rate, with some costs going from £8 a roll for aprons to £70 as people have sought to profiteer. The stores and procurement department has worked tirelessly to ensure that MNCC always had a stock of required PPE equipment for the safety of its staff and residents, but also ensured that they sourced items at the lowest available cost.

Whilst the Government and Local Authorities awarded grants to care providers, these were tightly constrained in that no monies could be spent on PPE equipment.

Surprisingly MNCC's occupancy remained strong throughout the pandemic as Commissioners continued to use its services.

Staffing could have been a major issue with the onset of the pandemic but the staff team has worked to an incredibly high level clinically and has attempted to cover shift shortfall. Absences could have been a major factor, but again the staff at MNCC have worked tirelessly and selflessly throughout. A huge thank you has to be said to all the staff at MNCC for their help and dedication throughout this unprecedented period.

#### ***Quality of care***

The service completes regular audits to ensure that the management of the quality of care remains a focus for all of the staff who work at MNCC.

#### ***Care Quality Commission (CQC) compliance and other inspections***

There have been no CQC inspections during the year 2020. The Home retains its rating of "Good". Interactions with the CQC with regard to notifications have been positive and well received.

Environmental Health Services awarded the Care Centre a '5 star' rating earlier this year, maintaining its status.

### **3. PROJECTS AND SERVICES - MARILLAC NEUROLOGICAL CARE CENTRE (MNCC)** (continued)

#### ***Making our organisation stronger***

The Executive Team at MNCC is proving to be effective in making decisions and completing its core job. The Head of Department level has proved supportive and constructive. MNCC has maintained and added to the Executive level staff and has changed some of the Heads of Departments, these changes have been made internally. This has enabled it to evaluate the service needs and recruit accordingly. MNCC is always evaluating the suitability of the senior team in order to deliver the service it promotes. MNCC appointed a new Director of Estates and Health and Safety alongside a new Director of Therapies. These two people will help to refocus the services to deliver the core services safely. MNCC has experience different pressures on the service over the past 12 months due to Covid-19 and the pressures and costs involved. MNCC holds business meetings every Monday to identify potential or actual discharges and identify new assessment and admissions ready to occupy the bed, ensuring that vacant beds are kept to a minimum. This has worked well, even remotely with vacant beds being minimal. These meetings also identified an over reliance on agency staff that could be better controlled by centralising the booking function. This was put in place at the tail end of the year and produced immediate results.

#### ***Safeguarding***

MNCC has maintained its relationship with the Essex Safeguarding Team and any safeguarding concerns are raised and dealt with appropriately and quickly. All safeguarding alerts received have been communicated to the CQC and all have been resolved throughout the year. All residents were reviewed and the Essex Quality Inspection rated MNCC as good overall. Safeguarding teams and MNCC will keep an open dialogue to ensure that the safety of service users is paramount.

#### ***Vincentian Values training***

All new staff at MNCC receive training upon commencement on Vincentian Values, which has been specifically requested by existing members of staff keen to ensure that the Values are ever present. This is coupled with prominent displays of Vincentian Saints on their feast days, alongside appropriate opportunities to celebrate and reinforce a Values led service.

#### ***The way forward***

MNCC will continue to work closely with the Commissioners that it has built up good relationships with.

With effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of Marillac Neurological Care Centre were transferred from the Charity to an independent Charitable Company limited by guarantee and incorporated in England and Wales (Charity Registration Number: 1184495 and Company Registration Number 12085591). The new independent charitable company is a subsidiary of the Daughters of Charity of St Vincent de Paul Services.

#### **4. CARING FOR MEMBERS OF THE CONGREGATION**

##### ***Activities and specific objectives***

As the average age of the Sisters increases, the need to provide residential care and support at home for our elderly Sisters grows each year. Thus, several Sisters are involved directly or indirectly in this Ministry and much attention is given to the provision of high quality accommodation. The Sisters operate three residential care homes for their own Sisters, each with its own registered manager and full complement of staff. Some lay people have also taken advantage of a few weeks or months of respite care, as well as a few having a permanent placement in one of these homes.

The Sisters also have a few properties that have been renovated to provide suitable accommodation for elderly Sisters who do not require immediate residential care, but whose mobility is compromised due to age or ill health.

The objectives of the Trustees in this area include:

- To ensure that all elderly members of the Congregation receive a high level of care in every aspect of their lives.
- To enable all members of the Congregation to continue in local houses and ministries for as long as possible.
- To review all local community houses to assess their suitability as homes for elderly or frail Sisters.
- To provide adaptations and aids when deemed necessary.

##### ***St Vincent's Home***

The past year has been very different, with the effects of Covid-19 dominating everything we do and, as a result, the Sisters and staff have struggled to come to terms with these changes. Fortunately the year has passed quickly and we are now looking forward to more positive times ahead. All the Sisters and most of the staff team have had both their Covid-19 vaccine; this – together with the easing of lockdown - will enable the Sisters to get out more and enjoy welcoming visitors again. We can't wait to welcome the Priests and Sisters from Santa Barbara and St Louise's, and get the St Vincent's spirit back.

Over the last year we have redesigned our garden to be a more accessible and a welcome space for everyone to use and with the addition of a new platform lift, the Sisters will be able to access it easily. We have also designed a café area on the second floor – the Sisters have named this the 'Shangri-La.' This is where they can meet up for a coffee, and get some space away from everything.

The staff team have been remarkable in their efforts to keep Covid-19 out and keep the Sisters safe and well. We have introduced an enhanced housekeeping team who now work from 9am – 7pm seven days a week to ensure the home is kept clean and that any risk of Covid-19 transmission is managed effectively. This has proven invaluable. We have maintained a very stable and experienced team, who, we believe, have grown stronger as a result of Covid-19.



#### **4. CARING FOR MEMBERS OF THE CONGREGATION** (continued)

One of the Care team has taken over the activities within the home, this is more person centred and fits around the Sisters' requests. Mornings are taken up with Mass and prayers and Sister M has found ways to bring Mass into the Home via a live stream from many parts of the country. Zoom has become a familiar part of the Sisters' lives and it has enabled them to enjoy plenty of interaction with Mill Hill and the other communities.

We sadly lost Sister A.L. at the grand age of 103, very peacefully, in February this year, so we now have a community of nine and are all looking forward to new Sisters joining us in the future.

Sister M's first year has been very different to how we all expected it to be, but we have made the best of the situation and with dedication and teamwork, have worked through it very well.



*As you can see we still managed to have some fun!*

#### **St Catherine's**

St Catherine's day, month, year is now defined as pre and post Covid-19, the difference being night and day, light and darkness, freedom to restriction. Who would have thought that a virus could be so disruptive and covert as to cause mass disruption to every aspect of life throughout the world? In St Catherine's, as in other care homes, we were kept safe and free from the dreadful virus thanks to the skill and dedication of our staff, who are still as vigilant as ever in trying to keep all safe.

Life has not been normal nor could it be so, but life went on in an entirely different way and celebrations happened as creatively as possible. Even our daily Mass was delivered via the internet, a wonderful new concept of Church, and if desired could be viewed from many places, e.g. Morning Mass from Knock, or Clonard Monastery in Belfast, or even from our own Parish Church whilst all the while sitting in an armchair at home.



**4. CARING FOR MEMBERS OF THE CONGREGATION** (continued)

One of the Sisters was in hospital and had to quarantine on returning home to St Catherine's and another had a positive Covid-19 test although no symptoms, which meant all were confined to their rooms for 14 days. It was a trying time for all but after this time we had a party to celebrate some small semblance of freedom. Anyone who has ever visited St Catherine's is struck by the absolute cleanliness of the Home. However, despite this spotless environment it now has to be cleaned and cleaned ever more to prevent any kind of bacteria settling anywhere in the house! It is so clean that we would defy any kind of germ to settle here!!!



We have celebrated, perhaps in a more low key way, Jubilees, birthdays and freedom from quarantine parties! We are grateful to the staff for their total dedication and care during a very difficult time. We look forward to the day we can regain our freedom!

*2020 ended with a peaceful time in St Catherine's.  
Our lovely lit up garden.*



#### **4. CARING FOR MEMBERS OF THE CONGREGATION (continued)**

##### ***Seton Care***

With the lockdown starting in March 2020, we had to change a lot about Seton Care Home, the biggest difference being in social interaction with other members of the Daughters of Charity.



We celebrated Easter 2020 with the arrival of chicks to hatch. This was an activity greatly enjoyed as some of the Sisters come from farming communities.

Unfortunately, two Sisters passed away close together at the end of April and the start of May followed by the home having to go into isolation due to a positive Covid-19 result. So, we planned a vintage afternoon tea party with staff dressed as maids, bread pudding and cupcakes to celebrate the end of our isolation and the Queen's Birthday.



As 2020 came to an end, the Sisters became used to the 'new normal' and enjoyed the use of Zoom to communicate with family and the community and accessing Mass from all over the world, using tablets to do so.

Our hopes for 2021 are to plan a tea party once we can welcome visitors to join us, as the Sisters enjoy this kind of event. We also have plans in place for visits to the seaside and a sponsored step charity event for the summer.

#### **5. OVERSEAS MISSIONARY WORK**

The Community of Daughters of Charity was established in Ethiopia in 1927. At present, the Community has 14 branches in five regional states and seven dioceses. Its mission is to develop the potential of those served and to alleviate poverty through their participation, regardless of their religious beliefs and ethnic background.

The works of the Province of Ethiopia mainly include education; health care; women in Development Programs; home based care for the sick and the elderly; support for persons with disability and refugees; assistance to prisoners through outreach; prevention of human trafficking and rehabilitation of those who have been trafficked; pastoral work in Parishes and support to the youth and children in difficult situations. Moreover, as Daughters of Charity, we have a duty to respond to any new forms of poverty and emergency calls.



## 5. OVERSEAS MISSIONARY WORK (continued)

### ***Bruh Tesfa Kindergarten Wolaita***

The Sisters have used the donations given for school fees to buy stationery, uniform, hygiene materials and food for the very unfortunate ones. This has affected the children's development in a positive manner. It enables them to attend the classes and receive a good education and a great improvement has been shown in their understanding. This has reduced the challenges the parents experience when they cannot afford to send their children to school. It has also reduced parents' challenges to find the fees and other essential needs of their children. The families are very grateful for all the support they get from the donations.



### ***Jimma***

The Daughters of Charity, Jimma Social and Developmental Work is aimed ultimately at the reduction of poverty and in creating productive citizens of the area through delivering different services at all levels, especially for the marginalized and poorest members of the community.

The children, especially those who are malnourished, have been supported through feeding (daily meal) and sanitary materials and as a result, their personal hygiene, health, education and their social attitude improved. They actively and happily participate both in classrooms and in the playground

The children appreciate their learning and don't like missing school.

The women, especially those who are very poor, have been supported to engage themselves in different Income Generating Activities like petty trading, vegetable and charcoal selling and baking injera (bread). As a result of their self-dependency, their motivation and their social attitude improved. They are very happy with themselves and they take care of their children. They participate actively in the society.



## **5. OVERSEAS MISSIONARY WORK** (continued)

### ***Jimma*** (continued)

Unfortunately, due to the political unrest in the North, it has been hard to get any reports from there. Covid-19 has had a negative effect on a lot of the Sisters' work in Ethiopia.

## **GRANTS AND DONATIONS**

Grants, donations and other payments in support of missionary work and ministry are decided 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 where there is the most need. Whilst the Trustees give occasional support to English, Scottish and Welsh 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.

## **INVESTMENTS**

### **Policy - listed investments**

The charity has a portfolio of listed investments with a market value of approximately £33.2 million.

In March 2019, the Trustees appointed Sarasin & Partners LLP as the Charity's sole Investment Managers. This decision was taken following a detailed review assisted by professional investment advisers.

There are no restrictions on the Charity's power to invest.

### ***Investment Objectives***

The Charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective for the long-term portfolios of the General and Ethiopian Funds is to generate a return of 3.5% in excess of inflation, as measured by the UK Consumer Price Index (CPI), over rolling 5 year periods, in order to protect the real value of the investment portfolio so that it can fund the future activities of the charity. In this context, long-term is taken to be five years plus. This level of growth ought to allow for income to be withdrawn, whilst allowing for the capital value to keep pace with inflation, after deduction of the investment manager's fees.

The establishment of a General Fund medium term portfolio is under consideration and would be a separate 'pot' of money which might be expected to be withdrawn over the next 5-10 years, in order to meet the current operational deficit requirement of c.£2 million or 7.1% per annum.

### ***Ethical Policy***

The policy is required to reflect the following concerns and to exclude direct, and where possible indirect, exposure to:

- any company earning more than 10% of their turnover from sale or production of alcohol, armaments, gambling or pornography;
- any company involved in the production of tobacco;
- any company involved in the production of single-purpose abortifacients, contraceptives, or engaged with scientific research on human fetuses.

## **INVESTMENTS** (continued)

### **Policy - listed investments** (continued)

The Trustees also wish the investment manager to be sensitive to the ethics and religious principles of the Trustees and to try to avoid any investments in contravention of these and to highlight areas of potential sensitivity. Particular concern is attached to issues related to the protection of human life and human rights, as well as discrimination against any sectors of society and the company's overall environmental impact. The Trustees expect the managers to apply Environmental, Social and Governance (ESG) criteria when selecting investments.

### ***Management, Reporting and Monitoring***

The Trustees have appointed Sarasin & Partners LLP to manage the investments on a fully discretionary management agreement in line with this investment policy.

The Trustees have appointed an Investment Committee, which includes both Trustees and the Director of Finance, which has responsibility for agreeing strategy and monitoring the investment assets. The investment manager will provide the following information on a quarterly basis: valuation of the investments, transaction report, cash reconciliation, performance analysis and commentary for this Committee to review. Once a year (at a minimum) the investment manager will be required to present in person to the Investment Committee. The Committee will review the information provided by the manager. Their recommendations are required to be ratified by the Trustees.

### **Policy - investment land**

The Charity has owned and occupied land at Lanark, Scotland, since 1949 and for many years the Sisters operated a hospital on the site. Since the closure of the hospital, the Charity has been exploring how best to utilise the land for the benefit of its charitable objects. Initially, this involved discussions with a property developer about a disposal of the land for residential property development. Unfortunately, the collapse of the housing market and the severe financing restrictions since 2008 have prevented a disposal for this purpose.

The land continues to be owned with a view to disposal. As a consequence, in the accounts, the land is classified as investment land. It is the intention of the Trustees of the Charity to continue to seek buyers for this land and hence to maximise its value to the Charity.

### **Investment performance**

During the year the Charity's listed investments achieved an income yield of 2.21% (2019 – 3.09%). The investments increased in value and the capital yield for the year was 9.55% (2019 - increase 7.73%). Throughout the year the Trustees have continued to liaise closely with the Charity's investment advisers and seek their advice.

## **FINANCIAL REPORT FOR THE YEAR**

A summary of the results for the year can be found on page 36 of the attached accounts. Income for the year to 31 December 2020 totalled £8.82 million compared to £9.09 million in 2019. This decrease in income is partly due to legacy income of £93,949 (2019 - £354,480). There was also a decrease in income from listed investments. This fall in income was expected following the change in investment policy and the global pandemic. As the Charity's investments are now on a total return approach, direct income has been sacrificed for capital growth.

**FINANCIAL REPORT FOR THE YEAR** (continued)

Expenditure has decreased from £11.2 million in 2019 to £10.9 million in 2020. Staff costs have decreased by £93,950 mainly as a result of using less agency staff in the care establishments. Most areas of expenditure have seen reductions, resulting from the national lockdowns that happened during the year and the cautious approach to opening up of houses to outsiders for non-essential maintenance. Motor and travel costs have been effected by the 'stay at home' order and also 'stay local'. Other expenditure not directly affected by the pandemic has been tightly controlled during the year, to prevent even higher deficits as income fell.

**Reserves policy**

The Trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the Charity's work, the Charity's continuing commitment to residential and nursing care, the need to care for members of the Congregation and to respond to unforeseen emergencies, the level of free reserves should at least be equivalent to between six and twelve months' expenditure. The Trustees are of the opinion that this provides sufficient flexibility to cover shortfalls in income, adequate working capital to cover core costs, and will allow the Charity to meet its commitments to its residential and care work and to members of the Congregation, and will enable the Charity to cope and respond to unforeseen emergencies.

**Financial position**

The balance sheet shows total reserves of £56 million (2019 - £55.6 million).

Of this, £10.8 million (2019 - £11.8 million) is represented by tangible fixed assets used for the support of the Sisters and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the Charity and the fund value cannot, therefore, be realised easily if needed to meet future contingencies.

The programme related investments fund amounts to £1,264,322 (2019 - £1,322,423). Four of the Charity's properties continue to be used by St Joseph's Services, a separately registered charitable company. One is a small residential care home, with the other three being houses of multiple occupancy for people with learning disabilities. The property used as the head office was sold by the Charity to St Joseph's Services last year.

A further property is used by The Louise Project Limited (formerly known as The Space), now a separately registered charitable company, for its head office and a drop-in centre.

Funds of £21.9 million (2019 - £22.5 million) have been set aside in the Sisters' care and retirement fund to provide for the Sisters' holistic needs going into the future.

## **FINANCIAL REPORT FOR THE YEAR (continued)**

### **Financial position (continued)**

The value of the fund has been calculated based on actuarial principles to provide for each of the Province's 106 Sisters. Given the increasing age profile of the Sisters and the lack of new vocations, this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

Funds of £5.3 million (2019 - £5.64 million) represent the accumulated net income of Marillac Neurological Care Centre (including tangible fixed assets of £4.3 million (2019 - £4.9 million), which has been designated by the Trustees for use by Marillac Neurological Care Centre only.

A further £2 million (2019 - £2 million) has been set aside towards the costs of developing new initiatives and those projects newly established, as well as enhancing the properties used by the Charity.

Finally, £2.17 million (2019 - £2 million) has been designated for use on specific projects by the Trustees. It is intended that such projects should principally be concerned with the missionary work of the Sisters overseas.

The endowment funds amounting to £254,175 (2019 - £448,991) comprise the Salisbury Fund, established in 1871 by a Deed of Trust, when several properties located in Salisbury were gifted to the Congregation. The 2019 figures also included the Wigmores Street Trust Fund established in 1965. Administration of this latter fund was transferred to the Charity during the year ended 31 December 2006 from the Westminster Roman Catholic Diocesan Trust. With effect from 22 September 2020, the restriction with respect to the expenditure of capital was released, such that any part of the capital can be spent as well as the income, in such manner as the Trustees may in their discretion think fit. Hence the balance on the fund has been transferred during 2020 to unrestricted income funds.

Restricted funds comprising monies given specifically for overseas missionary work totalled £332,048 (2019 - £413,927) at the end of the year. Other small restricted funds totalled £32,160 (2019 - £23,885).

Funds available to support the work of the Sisters in the future are shown as general funds on the balance sheet and amount to £12 million (2019 - £9.4 million). This figure needs to be considered in the light of annual expenditure of £10.8 million and the need to meet the challenges posed by the Covid-19 pandemic and its aftermath. The Trustees consider the Charity's free reserves to be adequate but not excessive.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Governance**

The British Province is governed by the Sister Provincial and four Sisters who form the Provincial Council. All are appointed by the Superioress General and General Council in Paris and are accountable to them. The Provincial and Council members are appointed for a period of six years, renewable for a further three-year period if required.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

The Trustees are members of the Community and are chosen for their personal qualities, their understanding and experience of the works and ministries of the Province and to ensure a varied skills mix.

At present, the Provincial Secretary, together with the Provincial and Provincial Council members, form the Board of Trustees. The Sister Provincial is always the Chair of Trustees by virtue of her office and she in turn appoints the other Trustees, of which there can be up to seven.

The Trustees are responsible for the policies, activities and assets of the Charity and for compliance with regulations and legislation including the Charities Act. The Trustees meet monthly to review developments with regard to the Charity, its activities and assets, and to make important decisions. Training continues to be provided for the Trustees in order that they are fully updated with current legislation.

The Trustees are incorporated under the provisions of Section 251 of the Charities Act 2011 as "The Incorporated Trustees of the Daughters of Charity of St Vincent de Paul".

The names of the Trustees at the date on which this Report was approved are set out as part of the reference and administrative details on page 1 of this Annual Report and Consolidated Accounts and brief biographical details on each of the Trustees are given below:

#### ***Sister Moira Bain***

Sister Moira Bain entered the Daughters of Charity of St Vincent de Paul in 1968. Her early ministry was child care and she worked in various residential school settings and children's homes. A short period of three years was spent in Romania overseeing five children's homes for children who were HIV positive. She also has experience in Parish ministry and trained in Pastoral Leadership. She was instrumental in setting up and managing an organisation offering pastoral care to families of prisoners.

#### ***Sister Ellen Flynn***

Sister Ellen Flynn has been a member of the Daughters of Charity of St Vincent de Paul since 1972, and formerly worked as the CEO of The Passage for nine years, helping homeless people in Central London. During that time she developed skills in charity management, governance, fundraising and project development as well as networking across London in all sectors of business and society. Prior to this, Sister Ellen has a background in education, initially working with disadvantaged young people in inner city schools, and later in adult formation including group facilitation, liturgy, music and management with the Christian Church. Sister Ellen was named Provincial of the Province of Great Britain in September 2015.



## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

#### ***Sister Kathleen Fox***

Sister Kathleen Fox has been a member of the Daughters of Charity of St Vincent de Paul for over 40 years. She trained as a nurse for people with learning disabilities, and then as a general nurse. She worked for many years in St Joseph's, Rosewell and, with the introduction of the Community Care Act in 1992, was part of the team in the re-provisioning of the Service. She completed further training and holds degrees in Advanced Nursing and Healthcare Chaplaincy. Sister Kathleen also worked for a number of years in a hospice and has trained in palliative care.

#### ***Sister Kay Harte***

Sister Kay Harte entered the Daughters of Charity of St Vincent de Paul in 1967 and is currently working in the offices as Secretary to the Provincial. After training as a rehabilitation worker for the visually impaired and interpreter for deaf/blind people, she worked in managerial positions in Glasgow and Liverpool. Prior to moving to Provincial House, she was manager of a community care home for elderly Sisters.

#### ***Sister Sarah King-Turner***

Sister Sarah King-Turner entered the Daughters of Charity of St Vincent de Paul in 1980. Her early ministry was in running a day centre for the elderly and then a hostel for students. After training as a Social Worker she had experience working with families and children. Sister went on to set up a new project for homeless young people, the Depaul Trust, followed by several years in Community administration both in London and later in the Community's Mother House in Paris. She was Provincial from 2002-2008.

#### ***Sister Kathleen Kennedy (resigned [date])***

Sister Kathleen Kennedy entered the Daughters of Charity of St Vincent de Paul in 1966. She worked in residential child care for fourteen years after which she ran a pre-school group in a primary school setting. She qualified as a teacher with Bachelor of Arts with Qualified Teacher Status (BAQTS) and taught in an inner city primary school for sixteen years. She worked as part of a city wide Evangelisation team in Hull before being appointed to the Provincial Council.

#### ***Sister Theresa Tighe***

Sister Theresa Tighe has been a member of the Daughters of Charity of St Vincent de Paul for many years. Her training is in youth and community work and in pursuing that she provides a short counselling course as a way of supporting young people. Most of her experience has involved working with young people with disabilities and their families. She has also engaged with children and families through parish ministry.

#### ***Sister Maureen Tinkler***

Sister Maureen Tinkler has been a member of the Daughters of Charity of St Vincent de Paul since 1971 and has lived and worked in numerous social priority areas in Great Britain. She trained as a secondary school teacher in Liverpool and also as a teacher of Hearing Impaired Children. She has been involved in the formation of novices and young Sisters. In the 1990's she served on the Province Leadership Team for 9 years and during that time served in hospital chaplaincy. She began the Vincentian Volunteers Gap Year and worked

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

in Youth Ministry in Langbank, Scotland. For 12 years she was the Director of Vincentians in Partnership, an umbrella body for the Vincentian organisations in Great Britain. She is currently the VIVAT Co-ordinator for the Daughter of Charity Services and is a member of the Province Leadership Team.

### **Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the 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 and in Scotland 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 group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the Charity's Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Structure and management reporting**

Five professional advisers ably support the Trustees, meeting together twice a year. The solicitors, accountant and surveyors, who comprise the Advisory Board, are always available for advice and guidance and especially prior to the making of any major decision.

The British Province comprises 106 Sisters, in 20 houses, of which 14 are situated in England, four in Scotland and one in Wales. These local communities are mostly situated in areas of towns and cities where it is believed that the Sisters can provide the greatest help to deprived and marginalised people. The Mission Statement states:

*'We choose to stand at "the cutting edge" with vulnerable and marginalised people and to open our eyes to the global issues of our world today.'*

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

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

Each of the local communities has a local Superior, appointed by the Provincial. She is responsible, with her Sisters in the community, for the services offered in the local area, for the financial management of the house, the upkeep of the property and the wellbeing of the Sisters. She is accountable to, and supported by, the Provincial and her Council, with whom there is regular communication and meetings. She submits her accounts monthly and budgets annually to the Provincial Treasurer who in turn draws up a three-year financial forecast for the Province, thus establishing a sound base for current and future planning.

### **Key management**

The Trustees consider that they, together with the Finance and Business Director, the Care Home Managers, and the executive team of Marillac Neurological Care Centre, comprise the key management of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis.

All Trustees 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.

The pay of the Finance and Business Director and the three Registered Care Home Managers is reviewed annually by the Trustees. The pay of the executive team of Marillac Neurological Care Centre is reviewed annually by the Centre's Advisory Committee which makes recommendations to the Trustees, who then consider whether or not to approve the proposal.

Pay is normally increased in accordance with average earnings. In view of the nature of operations of the care home and the national shortage of qualified nurses and care staff, the Trustees benchmark pay rates at Marillac Neurological Care Centre against pay levels in other similar charitable care homes and the National Health Service. The remuneration benchmarks used for all key management are based on published pay grades for nursing, care and administrative staff, but take into account additional responsibilities to ensure that the remuneration paid is fair and not out of line with that paid for similar roles.

### **Risk management**

The Trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between:

- Governance and management
- Operational
- Financial
- Reputation
- Laws, regulations, external and environment

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

**Governance and management** looks at the skills and training of its members and staff and the good use of its resources.

**Operational** looks at the risks inherent in the Charity's activities including the operation of its four care establishments – the members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the service provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy, etc.

**Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, global downturn in markets, and so on.

**Reputation** looks at possible damage to the Congregation and/or the charity's reputation.

**Laws, regulations, external and environment** look at the effect of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's care establishments.

The Trustees 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.

This work and the impact of Covid-19 and its aftermath have led to a number of key risks being identified for the Charity which are described below, together with the principal ways in which they are mitigated:

### ***Risk 1. The increasing age profile of the Province***

The average age of the Sisters in the Province at the end of 2020 was 81 years. The stark reality is that there are now more Sisters in residential care than there are under the age of 70 years. The risks entailed in this fact are multiple, as not only will the activities and ministries of the Sisters decrease, but the need for financial resources to pay for residential and nursing care costs will inevitably increase.

To mitigate the dilution of services for vulnerable people due to this increase in age and few, if any, younger women entering the Congregation, the Trustees created 'The Daughters of Charity of St Vincent de Paul Services', an "umbrella" charitable organisation formed to ensure the sustainability of projects and services started by the Congregation and that the values and ethos on which these services were built, remain strong and true ([www.dcsvpservices.org](http://www.dcsvpservices.org)). The Trustees are made up of both lay people and Daughters and have developed a training programme called VIVAT, where Vincentian values are shared with all staff, who in turn are asked to experience these values in the services they offer to others.

Regarding the ongoing care of the elderly members of the Congregation, the Trustees, as companions and friends for many years of all the elderly Sisters, desire to provide excellent care for them. The Trustees also know that there is both a moral and legal obligation to do so, as the Sisters do not have resources of their own, as all earnings, pensions and other

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Risk Management** (continued)

income have been donated to the Charity under a Deed of Covenant.

Thus there is now a dedicated fund for this need, the value of which has been based on actuarial principles. Also, as previously stated on pages 14 to 16, the Trustees ensure that residential care of a high standard is delivered to those Sisters most in need of it, as well as ensuring that at least another three houses are fully equipped with all necessary aids and facilities to give elderly Sisters not in need of care, but unable to fulfil active ministries, as much independence as possible.

### ***Risk 2. Loss on investments***

The Charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The Trustees made a decision to move to a discretionary management arrangement with Sarasin & Partners LLP last year. The new investment managers have worked closely with the Trustees and the Finance and Business Director over the year to ensure the portfolios match with the ethical and other requirements of the investment policy.

The impact of Covid-19 hit the investments hard in March 2020 and the portfolio saw losses that had not been predicted. As a result and to spread some of the risks of the UK market, the investment manager started to move towards a more global approach to investment. Global equities now represent 53% of the portfolio compared to 49% at the end of 2019.

While the full extent of the unfolding economic slowdown is yet to be fully understood, we expect further deterioration of the global economy and hence greater volatility in the value of our investment portfolio. Whilst the Charity is a long term investor, the impact such volatility and the recession may have on investment income is of concern. The Trustees in conjunction with the investment managers will monitor the situation closely over the coming year.

### ***Risk 3. Independence of Marillac Neurological Care Centre (MNCC)***

The Trustees are in the process of separating MNCC from the main Charitable Trust. Although MNCC has a well-established executive team, this team will need to be guided through the process of independence, relying on the expertise of the Trustees. The Trustees will ensure the executive team receives the training needed for the governance of a charitable company and provide the support needed for independence.

As a newly formed charitable company, MNCC will require independent Trustees who have expertise in neurological care as well as in finance, legal and governance. Over the last 12 months Trustees have been recruited, initially as a board of advisers, then invited to become Trustees of the new charitable company.

With effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of Marillac Neurological Care Centre were transferred from the Charity to an independent Charitable Company limited by guarantee and incorporated in England and Wales (Charity Registration Number: 1184495 and Company Registration Number 12085591). The new independent charitable company is a subsidiary of the Daughters of Charity of St Vincent de Paul Services.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

#### ***Risk 4. Protection of children and vulnerable adults***

The Trustees recognise the absolute necessity of ensuring the protection and safeguarding of all those whom the Charity serves, especially children and vulnerable adults. All the Sisters in the Province and all members of staff and volunteers, who are in contact with people through their ministry, have an Advanced Disclosure from the Disclosure and Barring Service (DBS). The Trustees are committed to implementing all the policies and procedures of the Catholic Safeguarding Advisory Council, England and Wales (CSAC) and the National Office for the Protection of Children and Vulnerable Adults in Scotland (NOPCVA). They take responsibility for identifying, preventing, investigating and responding to all allegations or incidents of abuse. In the light of recent experience of the Inquiries below, the Charity has taken independent advice and revised all its policies and practices together with a new training programme.

In England and Wales, Professor Alexis Jay has been appointed by Her Majesty's Government to lead a public inquiry into institutional abuse of children (Independent Inquiry into Child Sexual Abuse). This Inquiry is considered to be the most comprehensive ever commissioned by any government and is expected to run for at least five years. The Trustees have, and will continue to, assist this Inquiry in every possible way as and when requested.

In Scotland, Lady Smith has been appointed to lead a public inquiry (The National Inquiry into Historical Abuse) commissioned by Scottish Ministers under the Inquiries Act 2005.

This Inquiry was set up on 1 October 2015 and was due to report to the Scottish Government Ministers by 1 October 2019 (now extended for as long as it takes) with recommendations to improve the law, policies and practices in Scotland. It has a wide remit and is considering all forms of historic child abuse in Scotland and in other areas to where Scottish children were sent.

The Inquiry hearings in relation to two of the Daughters of Charity's former homes began on 28 November 2017, as anticipated, and ran until 30 January 2018. The transcripts of the Inquiry over that period can be found on the Inquiry website.

The Inquiry's interim report on the case study into the Daughters of Charity's establishments at Smyllum Park in Lanark (Smyllum) and Bellevue House in Rutherglen (Bellevue), was published on 11 October 2018 and is also available on the Inquiry website.

On 11 October 2018, the Daughters of Charity made a public statement in the following terms:

*"As Daughters of Charity we wish to thank Lady Smith for her Report.*

*Lady Smith's findings describe events and practices which are totally out of keeping with the fundamental values which underpin our life and mission and we are committed to giving this Report our utmost attention.*

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

#### ***Risk 4. Protection of children and vulnerable adults (continued)***

*We most sincerely offer our heartfelt apology to anyone who suffered any form of abuse whilst in our care. Our respectful desire for the future is to build appropriate relationships with INCAS and others, to effect healing in whatever ways are possible for this generation."*

The Daughters of Charity have considered the findings of the Report in detail and considered very carefully what lessons can be learned for the future in the Congregation's dealings with vulnerable people of all ages, and have considered safeguarding policies and procedures to ensure their adequacy, including working with Westminster Roman Catholic Diocese as Safeguarding Regulator.

The Inquiry did not and does not have the ability to make any findings of civil or criminal liability, but was and is only able to make recommendations for the future. In final submissions, the Daughters of Charity indicated to the Inquiry a willingness to listen to any conclusions which the Inquiry felt able to draw, based on the evidence before it, in relation to any instance of abuse which it was considered was established on the balance of probabilities to have taken place. The Daughters of Charity's consideration of the Report, and of safeguarding policies and actions in light of the Report, evidences this willingness to listen and put into practice.

Police Scotland has been involved following the evidence given by the Daughters to the Inquiry. The Daughters of Charity are seeking to engage with Police Scotland as fully and constructively as possible, and to provide information required, consistently and in a manner which is respectful of data protection obligations owed to Sisters, staff and former residents of the various establishments under consideration.

As the Daughters publicly stated at the time of the publication of the report on the case study, as it was then, remains at present, and will remain in the future their respectful desire to build appropriate relationships with Survivor Groups or individual survivors, to effect healing in whatever ways are possible.

The Scottish Government has, with effect from 25 April 2019, operated an Advance Payment Scheme for those aged over 70, or diagnosed with a terminal illness, who experienced abuse in residential care in childhood. Although applicants need only certify that they experienced abuse, without requiring to provide evidence of this or requiring to have their own word on this tested, it is necessary for applicants to provide evidence that they were resident in a qualifying establishment. The Daughters of Charity are therefore in almost daily contact at present with the Advance Payment Scheme validating applications as relating to former residents in their establishments. The Safeguarding and Archivist staff of the Daughters of Charity are engaging fully with the needs of the Advance Payment Scheme, in order to ensure that we facilitate processing of payments to those entitled to them.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Risk Management** (continued)

#### ***Risk 4. Protection of children and vulnerable adults*** (continued)

In respect to Scotland, at the date of signing this report, the Daughters of Charity have received a number of claims. In the vast majority of these claims, at the time of intimation, social work and medical records had not been recovered by the claimant, and in those cases either the claimant is recovering those to relay to the Daughters of Charity, or the Daughters of Charity's solicitor is securing mandates for recovery of those records and is proactively progressing each of these claims. Through their legal team, the Daughters of Charity continue to receive correspondence from new individuals and continue to address each claim or subject access request proactively from receipt.

In a limited number of the claims received to date, it has been possible to retrieve records and progress investigations so far as possible given the limitations on available evidence. Three such cases have been settled without litigation, with the express approval in advance of the Trustees and after close consideration of legal advice, on the basis of an economic analysis, without admission of liability. None of these claims have, to date, resulted in litigation.

#### **Fundraising policy**

The Charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The Charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The Charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020, the Charity received no complaints about its fundraising activities (2019 – none).

#### **Concern for the environment**

Conscious of the need for a sustainable environment and the responsibility each person and organisation has to care for the environment, the Trustees actively encourage the recycling of waste and reduction in energy consumption throughout the Charity's services and locations.

#### **Public benefit**

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The Trustees believe they have demonstrated in detail throughout this report the ways in which the charity has been faithful to this.



**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

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

The Trustees wish to record their recognition of the professionalism and commitment of all their staff and volunteers as well as the individual members of the Congregation. Their loyalty, dedication and positive approach to the service they give is crucial to the services provided to people in need throughout the Province and beyond. This is very much appreciated and never taken for granted.

Signed on behalf of the Trustees:



Trustee

Approved by the Trustees on: 15th July 2021

## **Independent auditor's report to the Trustees of Daughters of Charity of St Vincent de Paul Charitable Trust**

### **Opinion**

We have audited the accounts of Daughters of Charity of St Vincent de Paul Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the comparative 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 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient and proper 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.

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and safeguarding regulations.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

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

- ◆ making enquiries of management as to 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.

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 journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the provisions for bad debts and the Redress Scheme were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

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

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 those charged with governance; and
- ♦ enquiring of management as to actual and potential litigation and claims.

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

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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

2 August 2021

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

## Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £	Total funds 2019 £
<b>Income:</b>						
Grants, donations and legacies	1	2,012,969	193,032	—	2,206,001	2,516,109
Investment income and interest receivable	2	730,445	43,130	—	773,575	967,674
Charges for residential, care and support services	3	5,680,797	—	—	5,680,797	5,572,035
Other income						
. Surplus on disposal of tangible fixed assets		107,671	—	—	107,671	17,551
. Rent receivable		36,350	—	—	36,350	8,938
. Miscellaneous income		13,928	—	—	13,928	9,526
<b>Total income</b>		<b>8,582,160</b>	<b>236,162</b>	<b>—</b>	<b>8,818,322</b>	<b>9,091,833</b>
<b>Expenditure:</b>						
Cost of raising funds						
. Investment managers' fees		142,691	9,753	—	152,444	93,874
Expenditure on charitable activities						
. Provision of residential, care and support services	4	6,320,404	43,968	—	6,364,372	6,368,803
. Support of members of the Congregation and their ministry	5	3,959,524	31,526	—	3,991,050	4,499,311
. Charitable grants, donations payable and similar	6	200,403	192,264	—	392,667	201,826
<b>Total expenditure</b>		<b>10,623,022</b>	<b>277,511</b>	<b>—</b>	<b>10,900,533</b>	<b>11,163,814</b>
<b>Net expenditure for the year before investment gains (losses)</b>		<b>(2,040,862)</b>	<b>(41,349)</b>	<b>—</b>	<b>(2,082,211)</b>	<b>(2,071,981)</b>
<b>Net investment gains (losses)</b>						
. Listed investments		2,366,879	—	—	2,366,879	3,826,346
. Derivatives		317,608	—	—	317,608	—
. Investment land		—	—	—	—	(1,000,000)
. Foreign exchange (losses) gains		(170,599)	—	—	(170,599)	351,688
<b>Net income (expenditure) for the year</b>	8	<b>473,026</b>	<b>(41,349)</b>	<b>—</b>	<b>431,677</b>	<b>1,106,053</b>
<b>Transfer between funds</b>	18	<b>227,071</b>	<b>(32,255)</b>	<b>(194,816)</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds for the year</b>		<b>700,097</b>	<b>(73,604)</b>	<b>(194,816)</b>	<b>431,677</b>	<b>1,106,053</b>
<b>Reconciliation of funds:</b>						
Balances brought forward at 1 January 2020		54,717,962	437,812	448,991	55,604,765	54,498,712
Balances carried forward at 31 December 2020		55,418,059	364,208	254,175	56,036,442	55,604,765

A full comparative statement of financial activities is provided on page 37.

All activities of the charity comprised continuing operations during the above two financial years.


## Comparative statement of financial activities Year to 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Income:					
Donations and legacies	1	2,379,627	136,482	—	2,516,109
Investment income and interest receivable	2	919,927	47,747	—	967,674
Charges for residential, care and support services	3	5,572,035	—	—	5,572,035
Other income					
. Surplus on disposal of tangible fixed assets		17,551	—	—	17,551
. Rent receivable		8,938	—	—	8,938
. Miscellaneous income		9,526	—	—	9,526
Total income		8,907,604	184,229	—	9,091,833
Expenditure:					
Cost of raising funds					
. Investment managers' fees		88,028	5,846	—	93,874
Expenditure on charitable activities					
. Provision of residential, care and support services	4	6,346,005	22,798	—	6,368,803
. Support of members of the Congregation and their ministry	5	4,499,311	—	—	4,499,311
. Charitable grants, donations payable and similar	6	115,953	85,873	—	201,826
Total expenditure		11,049,297	114,517	—	11,163,814
Net (expenditure) income for the year before investment gains (losses)		(2,141,693)	69,712	—	(2,071,981)
Net investment gains (losses)					
. Listed investments		3,826,346	—	—	3,826,346
. Investment land		(1,000,000)	—	—	(1,000,000)
. Foreign exchange gains		351,688	—	—	351,688
Net income for the year	8	1,036,341	69,712	—	1,106,053
Transfer between funds	18	20,343	(20,343)	—	—
Net movement in funds for the year		1,056,684	49,369	—	1,106,053
Reconciliation of funds:					
Balances brought forward at 1 January 2019		53,661,278	388,443	448,991	54,498,712
Balances carried forward at 31 December 2019		54,717,962	437,812	448,991	55,604,765

# Balance sheet 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets:</b>			
Tangible assets	12	15,291,344	16,734,303
Investments	13	37,524,603	35,209,224
		<u>52,815,947</u>	<u>51,943,527</u>
<b>Current assets:</b>			
Debtors	14	742,264	813,861
Short term deposits		1,603,926	1,603,305
Cash at bank and in hand		1,669,955	1,945,933
		<u>4,016,145</u>	<u>4,363,099</u>
<b>Liabilities:</b>			
<b>Creditors:</b> amounts falling due within one year	15a	(679,534)	(620,205)
<b>Net current assets</b>		<u>3,336,611</u>	<u>3,742,894</u>
<b>Total assets less current liabilities</b>		<u>56,152,558</u>	<u>55,686,421</u>
<b>Creditors:</b> amounts falling due after more than one year	15b	(116,116)	(81,656)
<b>Total net assets</b>		<u>56,036,442</u>	<u>55,604,765</u>
<b>The funds of the charity:</b>			
<b>Capital funds</b>			
Permanent endowment funds	16	254,175	448,991
<b>Income funds</b>			
Restricted funds	17	364,208	437,812
Unrestricted funds			
• Tangible fixed assets fund	18	10,771,361	11,833,803
• Programme related investments fund	19	1,264,322	1,322,423
• Designated funds	20	31,354,906	32,116,172
• General fund		12,027,470	9,445,564
		<u>56,036,442</u>	<u>55,604,765</u>

Approved by the Trustees and signed on their behalf by:



Trustee

Approved by the Trustees on:

15th July 2021



## Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(2,019,621)</b>	(2,257,678)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>758,284</b>	947,234
Bank interest received		<b>15,291</b>	20,440
Proceeds from the disposal of tangible fixed assets		<b>976,040</b>	337,580
Purchase of tangible fixed assets		<b>(158,320)</b>	(146,928)
Proceeds from the disposal of programme related investments		<b>58,099</b>	333,369
Proceeds from the disposal of investments		<b>8,335,736</b>	33,957,868
Net cost of settlement of foreign exchange contracts		<b>(287,834)</b>	378,462
Purchase of investments		<b>(9,011,612)</b>	(30,734,671)
<b>Net cash provided by investing activities</b>		<b>685,684</b>	5,093,354
<b>Cash flows from financing activities:</b>			
Capital element of finance lease rentals		<b>(45,540)</b>	(45,540)
<b>Net cash used in financing activities</b>		<b>(45,540)</b>	(45,540)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,379,477)</b>	2,790,136
<b>Cash and cash equivalents at 1 January 2020</b>	B	<b>5,610,472</b>	2,820,336
<b>Cash and cash equivalents at 31 December 2020</b>	B	<b>4,230,995</b>	5,610,472

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

<b>A Reconciliation of net movement in funds to net cash used in operating activities</b>		
	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>431,677</b>	1,106,053
<b>Adjustments for:</b>		
Depreciation charge	<b>732,910</b>	771,642
Net gains on investments, derivatives and foreign exchange	<b>(2,513,888)</b>	(3,178,034)
Investment income receivable	<b>(758,284)</b>	(947,234)
Bank interest receivable	<b>(15,291)</b>	(20,440)
(Surplus) deficit on disposal of tangible fixed assets	<b>(107,671)</b>	68,593
Surplus on disposal of programme related investments	<b>—</b>	(86,144)
Decrease in debtors	<b>71,597</b>	73,661
Increase (decrease) in creditors	<b>139,329</b>	(45,775)
<b>Net cash used in operating activities</b>	<b>(2,019,621)</b>	(2,257,678)

## Statement of cash flows Year to 31 December 2020

### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<b>1,669,955</b>	1,945,933
Term deposits (less than three months)	<b>1,603,926</b>	1,603,305
Cash held by investment managers	<b>957,114</b>	2,061,234
<b>Total cash and cash equivalents</b>	<b>4,230,995</b>	5,610,472

### C Analysis of changes in net debt

	2019 £	Cash flows £	2020 £
Cash at bank and in hand	1,945,933	(275,978)	<b>1,669,955</b>
Term deposits	1,603,305	621	<b>1,603,926</b>
Cash held by investment managers	2,061,234	(1,104,120)	<b>957,114</b>
Finance lease obligations	(127,196)	45,540	<b>(81,656)</b>
<b>Balance at 31 December 2020</b>	<b>5,483,276</b>	<b>(1,333,937)</b>	<b>4,149,339</b>

**Basis of accounting**

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 2020 with comparative information given in respect to the year to 31 December 2019.

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), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 and management to make significant judgements and estimates.

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

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- ◆ estimating the market value of investment land;
- ◆ assessing the recoverability of outstanding debtors for residential and care home fees;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure on charitable activities;
- ◆ 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 Sisters' care and retirement fund; and

**Critical accounting estimates and areas of judgement** (continued)

- ♦ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

In addition to the above, the full impact of the continuing global Covid-19 pandemic is still unknown. Estimates used in the accounts, particularly with respect to the value of investment land (see note 13) are subject to a greater degree of uncertainty and volatility.

**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.

They have also factored in to their considerations the fact that with effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of Marillac Neurological Care Centre were transferred from the Charity to an independent Charitable Company limited by guarantee and incorporated in England and Wales (Charity Registration Number:1184495 and Company Registration Number 12085591). The new independent charitable company is a subsidiary of the Daughters of Charity of St Vincent de Paul Services. In addition, the Trustees agreed to transfer an additional £600,000 to the new charitable company with effect from 1 April 2021. Full details of the net assets transferred are given in note 26 to these accounts.

The Trustees also acknowledge and recognise the potential impact of the continuing Covid-19 pandemic on the Charity. The Covid-19 pandemic has continued to change the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the Trustees' control.

The full impact of the pandemic on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still not fully known. The charity's income will no doubt continue to be affected because of the falls in income from listed investments as the corporate sector, in particular, has reacted to the pandemic by reducing dividend payments. In terms of expenditure, the trustees remain aware of the need to carefully consider cash-flow when planning major projects.

During the current Covid-19 pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over fluctuations in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

### **Income recognition**

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

Income comprises donations and legacies, investment income and interest receivable, charges for residential, care and support services and other income including the surplus on the disposal of tangible fixed assets.

Grants and 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 grants or donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a grant or 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.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

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

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

**Income recognition** (continued)

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

Funding from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity becomes entitled to the monies and when the amount receivable has been quantified.

Other income is measured at fair value and accounted for on an accruals basis.

**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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This relates to investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include direct and indirect expenditure on the provision of residential, care and support services, direct and indirect costs in respect to the support of members of the Congregation and enabling their ministry, and the provision of charitable grants and donations.

Expenditure incurred in the provision of residential care and support services comprises all costs of providing nursing care for physically disabled persons at Marillac Neurological Care Centre.

Charitable grants and donations 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.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

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

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are included as a specific category within support costs.

Support costs are allocated to expenditure on charitable activities on the basis described in note 7 to these accounts.

**Tangible fixed assets**

All assets costing more than £2,500 and with an expected useful life exceeding one year are capitalised.

♦ ***Voluntary-aided schools***

The freehold of the land and buildings legally owned by the Charity and occupied rent free on behalf of the Trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The Trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the Charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

♦ ***Other freehold land and buildings***

With the exception of one property, all land and buildings located in England and Wales and purchased prior to 1 January 1993 are included in the accounts at a valuation determined as at that date (the date on which the land and buildings were first incorporated into a set of statutory accounts). The valuations, which were determined by the trustees with professional assistance and based on market values as at 1 January 1993, were used in the absence of reliable cost figures being available due (in part) to the fact that many of the properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the trustees, would not be an appropriate or effective use of the charity's resources. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed their cost.

One property situated in England was not incorporated into the statutory accounts until 1 January 1997 and, for similar reasons as set out above, it is included in the accounts at a valuation determined by the Trustees with professional assistance as at 1 January 1997 based on market value as at that date. As permitted by FRS 102, with effect from 1 January 2014 the value assigned to this property is now deemed its cost.

All other freehold land and buildings situated in England and Wales have been purchased subsequent to 1 January 1993 and are included in the accounts at cost.

**Tangible fixed assets** (continued)

◆ ***Other freehold land and buildings*** (continued)

All land and buildings located in Scotland and purchased prior to 1 January 1996 are included in the accounts at a valuation determined as at that date (the date on which the land and buildings were first incorporated into a set of statutory accounts). The valuations, which were determined by the Trustees with professional assistance and based on market values as at 1 January 1996, were used in the absence of reliable cost figures being available due (in part) to the fact that many of the properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the Trustees, would not be an appropriate or effective use of the Charity's resources. As permitted by FRS 102, with effect from 1 January 2014, the value assigned to these properties is now deemed their cost. All freehold land and buildings situated in Scotland and purchased subsequent to 1 January 1996 are included in the accounts at cost.

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation 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.

Specialised buildings are defined as those comprising the Charity's care homes, health care establishments and large residential convents. Depreciation is provided at between 2% to 4% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ ***Long leasehold property***

Long leasehold property comprising both specialised and non-specialised buildings is shown on the balance sheet at a valuation determined by the Trustees with professional assistance as at 1 January 1993 (the date on which it was first incorporated into a set of statutory accounts). The valuations were used in the absence of reliable cost figures being available due (in part) to the fact that many of the leasehold properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the Trustees, would not be an appropriate or effective use of the Charity's resources. As permitted by FRS 102, with effect from 1 January 2014 the value assigned to these leasehold properties is now deemed their cost.

Long leasehold property is not depreciated until the period of the lease remaining is 50 years or less at which point it is depreciated on a straight line basis over the remaining period of the lease. All leasehold property is maintained to standards which ensure that its residual value is not less than its book value. Therefore, depreciation on such property with more than 50 years of the lease remaining is deemed immaterial.



**Tangible fixed assets** (continued)

♦ ***Furniture, plant and computer equipment***

Expenditure on the purchase and replacement of furniture, plant and computer equipment is capitalised and depreciated on a straight line basis over the estimated life of each asset, as follows:

Plant	- 10 years
Furniture and plant	- 5 years
Computer equipment	- 4 years

♦ ***Motor vehicles***

Motor vehicles are capitalised and depreciated over a four year period on a straight line 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.

Management of the Charity's investment portfolio includes the use of foreign exchange contracts including forward contracts. These are a form of complex financial instrument. They are recognised initially at their transaction value and subsequently measured at their fair value as at the balance sheet date, using the prevailing exchange rate at that date. Changes in fair value are credited (or debited) to the statement of financial activities in the year in which they arise.

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.

Land held for investment is included in the accounts at the estimated current market value of the land based on disposal for development and the likelihood of residential planning consent being granted. The valuation has been 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 if 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.

### **Programme related investments**

Programme related investments comprise properties owned by the charity but occupied by St Joseph's Services, Rosewell or by The Louise Project Limited.

St Joseph's occupies the properties at a peppercorn rent. St Joseph's is a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by St Joseph's Services is consistent with the charitable objects of the Charity and as such the properties are classified as programme related investments. They are stated at their book value at the date on which the properties were reclassified by the Charity from tangible fixed assets (i.e. functional properties) to programme related investments. No depreciation is charged on programme related investments. Impairment provisions, if any, are charged to the statement of financial activities when and if they arise and are classified as charitable expenditure.

The Louise Project Limited occupies the property at a reduced market value rent. The Louise Project Limited (the Project) is a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by the Project is consistent with the charitable objects of the Charity and as such the property is classified as a programme related investment. It is stated at book value as at 1 April 2017, the date on which the activities of the Project were transferred from the Charity and the date, therefore, on which the properties were reclassified by the Charity from tangible fixed assets (i.e. functional properties) to programme related investments. No depreciation is charged on programme related investments. Impairment provisions, if any, are charged to the statement of financial activities when and if they arise and are classified as charitable expenditure.

### **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. Deposits for more than three months but less than one year have been disclosed as short term deposits.

### **Creditors and provisions**

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

### **Fund structure**

The endowment funds comprise monies which must be held indefinitely as capital. The income therefrom is credited directly to unrestricted or restricted funds in accordance with the terms of the relevant endowment.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The tangible fixed assets fund represents the net book value of the tangible fixed assets, after deducting the finance lease obligations in respect to furniture and equipment, used for the support of the Sisters and their ministry.

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the Charity.

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Lease arrangements that transfer substantially all the risks and rewards of ownership to the lessee are treated as finance leases. Assets held under finance leases are capitalised within tangible fixed assets and depreciated over the shorter of the lease term and useful life of the asset. A liability is recognised for the present value of the minimum lease payments within current and long term liabilities as appropriate. Rental payments are apportioned between capital and interest expense.

### **Foreign currencies**

Income received, and costs incurred overseas, are translated into sterling at the rate of exchange in force at the year end. This policy does not comply with FRS 102, Section 30 which requires income and expenditure to be translated using the rate of exchange on the transaction date and amounts payable or receivable to be retranslated at the reporting date but has been adopted to avoid over-complexity. The amounts involved are not material, and the Trustees have therefore concluded that this departure does not prevent the accounts from presenting a true and fair view of the Charity's financial position, financial performance and cash flows in the year ended 31 December 2020.

**Pension costs**

Employer's contributions in respect of the charity's Group Pension Plan, a defined contribution scheme, are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme.

All eligible members of staff (not already contributing to an eligible scheme) continue to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

**Services provided by members of the Congregation**

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

## 1 Grants, donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Salaries and pensions of individual religious	1,803,142	—	—	1,803,142
Legacies	93,949	—	—	93,949
Donations for the Congregation's overseas missions	—	77,008	—	77,008
Other donations	24,701	13,887	—	38,588
Coronavirus Job Retention Scheme funding	91,177	—	—	91,177
Other Covid-19 Government and local authority grants	—	102,137	—	102,137
<b>2020 Total funds</b>	<b>2,012,969</b>	<b>193,032</b>	<b>—</b>	<b>2,206,001</b>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Salaries and pensions of individual religious	1,880,339	—	—	1,880,339
Legacies	354,480	—	—	354,480
Donations for the Congregation's overseas missions	—	98,511	—	98,511
Other donations	144,808	37,971	—	182,779
<b>2019 Total funds</b>	<b>2,379,627</b>	<b>136,482</b>	<b>—</b>	<b>2,516,109</b>

## 2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Income from listed investments				
. Government Bonds	66,035	2,221	—	68,256
. Non-Government Bonds	76,545	6,454	—	82,999
. UK Equities and Equity Trusts	131,892	10,067	—	141,959
. Global Equities	227,981	21,437	—	249,418
. UK property and Unit Trusts	40,165	—	—	40,165
. Alternative Investments	57,227	2,213	—	59,440
	<b>599,845</b>	<b>42,392</b>	<b>—</b>	<b>642,237</b>
. Income from programme related investments	116,047	—	—	116,047
Interest receivable				
. Monies held by investment managers	7,196	169	—	7,365
. Bank interest	7,357	569	—	7,926
	<b>14,553</b>	<b>738</b>	<b>—</b>	<b>15,291</b>
<b>2020 Total funds</b>	<b>730,445</b>	<b>43,130</b>	<b>—</b>	<b>773,575</b>

**2 Investment income and interest receivable (continued)**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Income from listed investments				
. Government Bonds	40,104	1,425	—	41,529
. Non-Government Bonds	27,902	3,241	—	31,143
. UK Fixed Interest Unit Trusts	94,450	5,434	—	99,884
. UK Equities and Equity Trusts	285,720	16,001	—	301,721
. Global Equities	152,775	14,364	—	167,139
. UK property and Unit Trusts	154,462	5,371	—	159,833
. Alternative Investments	14,699	155	—	14,854
	<u>770,112</u>	<u>45,991</u>	<u>—</u>	<u>816,103</u>
. Income from programme related investments	<u>131,131</u>	<u>—</u>	<u>—</u>	<u>131,131</u>
Interest receivable				
. Monies held by investment managers	10,959	658	—	11,617
. Bank interest	7,725	1,098	—	8,823
	<u>18,684</u>	<u>1,756</u>	<u>—</u>	<u>20,440</u>
<b>2019 Total funds</b>	<b><u>919,927</u></b>	<b><u>47,747</u></b>	<b><u>—</u></b>	<b><u>967,674</u></b>

**3 Charges for residential, care and support services**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
<b>2020 Total funds:</b>				
Nursing home charges	<b><u>5,680,797</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>5,680,797</u></b>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
<b>2019 Total funds:</b>				
Nursing home charges	<b><u>5,572,035</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>5,572,035</u></b>

#### 4 Provision of residential, care and support services

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Staff costs	4,538,734	31,227	—	4,569,961
Premises	1,117,659	5,409	—	1,123,068
Provisions	118,542	—	—	118,542
Welfare of residents	281,440	5,419	—	286,859
Other costs	197,097	1,913	—	199,010
Support costs (note 7)	66,932	—	—	66,932
<b>2020 Total funds</b>	<b>6,320,404</b>	<b>43,968</b>	<b>—</b>	<b>6,364,372</b>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Staff costs	4,685,434	—	—	4,685,434
Premises	991,036	290	—	991,326
Provisions	147,690	—	—	147,690
Welfare of residents	241,636	3,198	—	244,834
Other costs	208,587	19,310	—	227,897
Support costs (note 7)	71,622	—	—	71,622
<b>2019 Total funds</b>	<b>6,346,005</b>	<b>22,798</b>	<b>—</b>	<b>6,368,803</b>

#### 5 Support of members of the Congregation and their ministry

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Sisters' living and personal expenses	786,470	7,567	—	794,037
Premises	907,813	5,280	—	913,093
Staff costs	1,764,199	18,679	—	1,782,878
Spiritual renewal	127,403	—	—	127,403
Other costs	85,304	—	—	85,304
Support costs (note 7)	288,335	—	—	288,335
<b>2020 Total funds</b>	<b>3,959,524</b>	<b>31,526</b>	<b>—</b>	<b>3,991,050</b>

**5 Support of members of the Congregation and their ministry (continued)**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Sisters' living and personal expenses	957,588	—	—	957,588
Premises	1,146,316	—	—	1,146,316
Staff costs	1,761,355	—	—	1,761,355
Spiritual renewal	153,662	—	—	153,662
Other costs	110,918	—	—	110,918
Support costs (note 7)	369,472	—	—	369,472
<b>2019 Total funds</b>	<b>4,499,311</b>	<b>—</b>	<b>—</b>	<b>4,499,311</b>

**6 Charitable grants and donations payable**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Donations to the Congregation's overseas missions:				
. Ethiopia	—	165,982	—	165,982
. Haiti	—	783	—	783
. Bethlehem	—	954	—	954
. Kenya	—	4,767	—	4,767
. Vietnam	—	10,258	—	10,258
. Syria	—	3,470	—	3,470
. Eritrea	—	6,050	—	6,050
The Vincentian Volunteers	5,000	—	—	5,000
Holy Cross Abbey	10,000	—	—	10,000
St Vincent's Family Project	183,000	—	—	183,000
St Joseph's Services	59,000	—	—	59,000
The Passage	1,000	—	—	1,000
De Paul International	20,000	—	—	20,000
Diocese of Middlesbrough	1,000	—	—	1,000
Vincentian Care Plus	(80,000)	—	—	(80,000)
Other donations	1,403	—	—	1,403
<b>2020 Total funds</b>	<b>200,403</b>	<b>192,264</b>	<b>—</b>	<b>392,667</b>

'Other donations' comprise amounts of £1,000 or less donated to other organisations with objects consistent with those of the charity.

The "negative" amount of £80,000 (2019 - £20,000) in respect to Vincentian Care Plus (VCP) relates to the voluntary repayment of monies donated to VCP in prior years (see note 22).



**6 Charitable grants and donations payable (continued)**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Donations to the Congregation's overseas missions:				
. Ethiopia	—	73,044	—	73,044
. Haiti	—	833	—	833
. Bethlehem	—	786	—	786
. Kenya	—	1,720	—	1,720
. Vietnam	—	7,810	—	7,810
. Syria	—	1,080	—	1,080
. India	—	500	—	500
. Paris	—	100	—	100
The 13 Houses Project, Ethiopia	60,000	—	—	60,000
The Vincentian Volunteers	5,000	—	—	5,000
Holy Cross Abbey	5,000	—	—	5,000
St Vincent's Family Project	25,000	—	—	25,000
The Louise Project	30,000	—	—	30,000
Vincentian Care Plus	(20,000)	—	—	(20,000)
Other donations	10,953	—	—	10,953
<b>2019 Total funds</b>	<b>115,953</b>	<b>85,873</b>	<b>—</b>	<b>201,826</b>

**7 Support costs**

	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2020 £	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2019 £
Legal and professional fees	15,202	184,088	199,290	14,720	223,203	237,923
Central administration	28,242	37,462	65,704	33,917	32,548	66,465
Bank charges	12,398	6,353	18,751	12,365	7,476	19,841
Governance (see below)	11,090	60,432	71,522	10,620	106,245	116,865
<b>Total funds</b>	<b>66,932</b>	<b>288,335</b>	<b>355,267</b>	<b>71,622</b>	<b>369,472</b>	<b>441,094</b>

## 7 Support costs (continued)

The above expenses have been analysed in detail and individual invoices, or groups of invoices, have been allocated as appropriate to either the provision of residential, care and support services or support of members of the Congregation and their ministry.

Governance costs included above comprised:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Auditor's remuneration	32,820	—	—	32,820
Legal and professional	36,730	—	—	36,730
Central administration	1,972	—	—	1,972
<b>2020 Total funds</b>	<b>71,522</b>	<b>—</b>	<b>—</b>	<b>71,522</b>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Auditor's remuneration	34,620	—	—	34,620
Legal and professional	80,532	—	—	80,532
Central administration	1,713	—	—	1,713
<b>2019 Total funds</b>	<b>116,865</b>	<b>—</b>	<b>—</b>	<b>116,865</b>

During the year, the charity incurred professional fees of £31,279 (2019 - £111,810) in respect to its participation in the Scottish National Inquiry into Historical Abuse. The Inquiry hearings in relation to two of the homes previously owned and operated by the Daughters of Charity of St Vincent de Paul began on 28 November 2017.

General solicitors' fees are apportioned to governance costs on the basis of the estimated time solicitors spend working on matters pertaining to the governance of the charity.

General administrative costs are apportioned to governance costs on the basis of the time staff spent working on governance issues.

## 8 Net income (expenditure) for the year

This is stated after charging (crediting):

	Total 2020 £	Total 2019 £
Staff costs (note 9)	6,352,839	6,446,789
Auditor's remuneration		
. Statutory audit services – current year	21,600	19,200
. Non-statutory audit services	11,220	10,620
. Other advisory services: general consultancy	—	4,800
Depreciation (note 12)	732,910	771,642
Surplus on disposal of tangible fixed assets	(107,671)	(17,551)

**9 Staff costs and remuneration of key management personnel**

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	5,347,325	5,173,088
Social security costs	422,190	402,372
Other pension costs	152,434	139,519
Apprenticeship levy	10,961	8,080
	<b>5,932,910</b>	<b>5,723,059</b>
Agency staff	419,929	723,730
	<b>6,352,839</b>	<b>6,446,789</b>

Payments to agency staff during the year reflect the difficulties in recruiting permanent nursing and care staff.

Staff costs per function were as follows:

	2020 £	2019 £
Provision of residential, care and support services	4,569,961	4,685,434
Support of members of the Congregation and their ministry	1,782,878	1,761,355
	<b>6,352,839</b>	<b>6,446,789</b>

The following number of employees earned £60,000 per annum or more (including taxable benefits but excluding employer's pension contributions):

	2020	2019
£60,000 - £70,000	—	1
£70,000 - £80,000	1	—
£120,000 - £130,000	1	1

The average number of employees during the year, analysed by function, was:

	2020	2019
Provision of residential, care and support services	178	177
Support of members of the Congregation and their ministry	106	108
	<b>284</b>	<b>285</b>

The number of employees based on full time equivalents, analysed by function, was:

	2020	2019
Provision of residential, care and support services	165	157
Support of members of the Congregation and their ministry	78	77
	<b>243</b>	<b>234</b>

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 Finance and Business Director, the Care Home Managers and the Executive team of Marillac Neurological Care Centre. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £464,273 (2019 - £454,904).

**10 Trustees' expenses and remuneration and transactions with Trustees**

The Charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the 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 or members of key management (2019 - none).

As members of the Congregation, none of the Trustees 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 the Trustees to the Charity was £69,225 (2019 - £66,854).

**11 Taxation**

The Daughters of Charity of St Vincent de Paul Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

**12 Tangible fixed assets**

	Freehold land and buildings			Furniture, plant and computer equipment	Motor vehicles	Total
	Sisters' living accommo- -dation £	Special needs accommo- -dation £	Long leasehold land and buildings £	£	£	£
<b>Cost or valuation</b>						
At 1 January 2020	6,780,423	16,323,059	128,596	723,636	428,250	<b>24,383,964</b>
Additions	—	62,023	—	81,810	14,487	<b>158,320</b>
Disposals and eliminations	(868,364)	—	—	(79,820)	(42,272)	<b>(990,456)</b>
At 31 December 2020	<u>5,912,059</u>	<u>16,385,082</u>	<u>128,596</u>	<u>725,626</u>	<u>400,465</u>	<b><u>23,551,828</u></b>
At deemed cost based on valuation in 1993	805,000	—	—	—	—	<b>805,000</b>
At deemed cost based on valuation in 1996	200,000	—	—	—	—	<b>200,000</b>
At deemed cost based on valuation in 1997	—	3,250,001	—	—	—	<b>3,250,001</b>
At cost	<u>4,907,059</u>	<u>13,135,081</u>	<u>128,596</u>	<u>725,626</u>	<u>400,465</u>	<b><u>19,296,827</u></b>
	<u>5,912,059</u>	<u>16,385,082</u>	<u>128,596</u>	<u>725,626</u>	<u>400,465</u>	<b><u>23,551,828</u></b>
<b>Depreciation</b>						
At 1 January 2020	—	6,878,700	—	402,613	368,348	<b>7,649,661</b>
Charge for the year	—	563,948	—	136,869	32,093	<b>732,910</b>
On disposals and eliminations	—	—	—	(79,820)	(42,267)	<b>(122,087)</b>
At 31 December 2020	<u>—</u>	<u>7,442,648</u>	<u>—</u>	<u>459,662</u>	<u>358,174</u>	<b><u>8,260,484</u></b>
<b>Net book values</b>						
At 31 December 2020	<u>5,912,059</u>	<u>8,942,434</u>	<u>128,596</u>	<u>265,964</u>	<u>42,291</u>	<b><u>15,291,344</u></b>
At 31 December 2019	<u>6,780,423</u>	<u>9,444,359</u>	<u>128,596</u>	<u>321,023</u>	<u>59,902</u>	<b><u>16,734,303</u></b>

Under previous Generally Accepted Accounting Practice, a number of freehold and long leasehold properties were held at book values based on Trustees' valuations made in 1993, 1996 and 1997 based on open market value at the date of valuation. As permitted under the transitional provisions of FRS 102 (section 35), the Charity has elected to use these valuations as deemed cost.

The remaining properties and other tangible fixed assets are held at cost less accumulated depreciation where applicable.

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

Furniture and equipment with a carrying value of £83,472 (2019 - £129,002) is held under finance leases. The accumulated depreciation on these assets at 31 December 2020 totals £144,178 (2019 - £98,648).

**Capital commitments**

At 31 December 2020 the charity had no capital commitments (2019 - £nil).

### 13 Investments

	2020 £	2019 £
Investment land	3,000,000	3,000,000
Listed investments	33,169,819	30,913,576
Foreign exchange contracts	90,462	(26,774)
Programme Related Investments	1,264,322	1,322,422
	<b>37,524,603</b>	<b>35,209,224</b>

#### *Investment land*

The Charity has owned and occupied land at Lanark, Scotland since 1949 and for many years the Sisters operated a hospital on the site. Since the closure of the hospital, the Charity has been exploring how best to utilise the land for the benefit of its charitable objects. Initially, this involved discussions with a property developer about a disposal of the land for residential property development. Unfortunately, the collapse of the housing market and the severe financing restrictions since 2008 have led to interest by developers being extremely limited.

The value of the land was reduced in 2019 to reflect its value on the open market as estimated by an independent valuer. An unrealised loss of £1 million was shown in the statement of financial activities for 2019.

#### *Listed investments*

	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 January 2020	28,852,342	28,249,193
Additions	9,011,612	30,734,671
Disposals at opening book value (proceeds £8,018,128, losses £441,664)	(8,459,792)	(32,202,001)
Net gains on revaluation	2,808,543	2,070,479
Market value at 31 December 2020	<b>32,212,705</b>	28,852,342
Cash held by investment managers	957,114	2,061,234
	<b>33,169,819</b>	<b>30,913,576</b>
Cost of listed investments at 31 December 2020	<b>27,470,042</b>	<b>26,647,293</b>

Gains on derivatives of £317,608 (2019 - £nil) are included within the above analysis.

### 13 Investments (continued)

#### *Listed investments (continued)*

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
. Government Bonds	2,884,585	2,841,741
. Non-Government Bonds	2,540,817	2,153,143
. UK Equities and Equity Trusts	5,296,545	5,531,398
. Global Equities	17,049,694	14,120,249
. UK Property and Unit Trusts	967,003	1,902,741
. Alternative Investments	3,474,061	2,303,070
	<b>32,212,705</b>	<b>28,852,342</b>

At 31 December 2020 listed investments included the following individual holdings, all of which are deemed material holdings in the context of the entire portfolio valuation as at that date:

	2020		2019	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
Sarasin Responsible Corp Bond Inc	2,540,817	7.89%	2,153,143	7.46%
The Charity Property Fund	—	—	741,262	2.57%

All listed investments were dealt in on a recognised stock exchange.

Gains on foreign exchange contracts for the year ended 31 December 2020 consisted of the following:

	2020 £
<b>Foreign exchange contracts</b>	
Fair value loss on settlement (settled cost: £(261,060); market value: (£nil))	(261,060)
Fair value gain on unsettled contracts (unsettled cost: £6,083,531; market value: £(5,993,070))	90,461
<b>Total loss on foreign exchange contracts</b>	<b>(170,599)</b>

#### *Nature and extent of risks arising from financial instruments*

The aim of investment risk management is to minimise the risk of an overall reduction in the value of the portfolio and to maximise the opportunity for gains.

### 13 Investments (continued)

#### *Listed investments (continued)*

There were no foreign exchange contracts in the year ended 31 December 2020.

The Trustees monitor the underlying risks to which the investments are exposed through reviews with the investment managers. The risks to which the investments are exposed include market and credit risk. The exposure to market risk is mitigated by the Charity investing in a diverse portfolio of investments across various markets. Bonds and bond like instruments are exposed to credit risk but exposure to credit risk is minimised by only investing in bonds that are subject to a minimum credit rating.

Liquidity risk represents the risk that the Charity will not be able to meet its financial obligations as they fall due. The Trustees monitor cash flows and take steps to ensure that there are adequate cash resources to meet the Charity's commitments.

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling).

#### *Programme related investments*

	2020 £	2019 £
Carrying value at 1 January 2020	1,322,422	682,003
Transfer from tangible fixed assets (note 12)	—	887,644
Disposals in year	(58,099)	(247,225)
Carrying value at 31 December 2020	1,264,323	1,322,422

With effect from 1 April 2015, the activities of St Joseph's Services, Rosewell were transferred from the Charity to a newly incorporated charitable company registered with the Office of the Scottish Charity Regulator. At that date, two of the properties owned by the Charity but occupied by St Joseph's Services, Rosewell at a peppercorn rent were reclassified as programme related investments in these accounts, having previously been classified as functional freehold properties used for supported living within tangible fixed assets. The programme related investments were transferred from tangible fixed assets at their book value as at 1 April 2015.

In both 2019 and 2020 certain of these properties were sold or gifted to St Joseph's Services, Rosewell. This sales and gifts were agreed after both the Charity and St Joseph's Services had taken independent professional advice and after taking in to consideration the fact that both are registered charities.



### 13 Investments (continued)

#### *Programme related investments (continued)*

During 2019, four properties owned by the Charity but occupied by St Joseph's Services, Rosewell as houses of multiple occupancy for people with learning disabilities, were reclassified as programme related investments in these accounts, having previously been classified as functional freehold properties used for supported living within tangible fixed assets. The programme related investments were transferred from tangible fixed assets at their book value as at 31 December 2019.

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). At that date a property owned by the charity but occupied by The Louise Project Limited, at a reduced market rent was reclassified as a programme related investment in these accounts, having previously been classified as functional freehold property within tangible fixed assets and used for special needs accommodation housing.

### 14 Debtors

	2020 £	2019 £
Residential and care home fees	564,236	603,699
Prepayments and accrued income	161,307	155,232
Loans	—	45,000
Other debtors	16,721	9,930
	<b>742,264</b>	<b>813,861</b>

The loans in 2019 of £45,000 represented amounts advanced to St Vincent's Family Project, a connected charity. The loan was to cover working capital requirements and was repayable on demand. During 2020 the loan was converted into a donation (see notes 6 and 23).

### 15a Creditors: amounts falling due within one year

	2020 £	2019 £
Residential, care and support establishment fees in advance	22,400	22,400
Expense creditors	146,690	136,226
Social security and other taxes	101,342	92,234
Other creditors	19,500	28,583
Monies administered by the charity on behalf of individual members of the Daughters of Charity of St Vincent de Paul	70,868	71,718
Money held on behalf of the Ethiopian Province of the Daughters of Charity of St Vincent de Paul	86,890	86,742
Grant payable to St Vincent's Family Project (note 22)	40,000	—
Grant payable to Out There (note 22)	66,000	66,000
Accruals	80,304	70,762
Finance lease obligations (note 24)	45,540	45,540
	<b>679,534</b>	<b>620,205</b>

**15b Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Grant payable to St Vincent's Family Project (note 22)	80,000	—
Finance lease obligations (note 24)	36,116	81,656
	<b>116,116</b>	<b>81,656</b>

**16 Permanent endowment funds**

The capital of these funds must be preserved, although the income may be used in accordance with the terms of the relevant endowment at the discretion of the trustees.

	At 1 January 2020 £	Movement in year £	At 31 December 2020 £	At 1 January 2019 £	Movement in year £	At 31 December 2019 £
Salisbury fund	254,175	—	254,175	254,175	—	254,175
Wigmore Street Trust fund	194,816	(194,816)	—	194,816	—	194,816
	<b>448,991</b>	<b>(194,816)</b>	<b>254,175</b>	<b>448,991</b>	<b>—</b>	<b>448,991</b>

The Salisbury fund was established in 1871 by deed of trust when several properties located in Salisbury were gifted to the Daughters of Charity of St Vincent de Paul to be held as an endowment in perpetuity. The properties were vested in the name of the Charity by means of a Scheme of the Charity Commissioners dated 2 June 1965 and a Vesting Order dated 16 May 1997. The properties were sold during the year ended 31 December 1998, following approval from the Charity Commission. The proceeds are to be held as permanent endowment.

The Wigmore Street Trust fund was established on 2 May 1965 by Deed of Trust. On 9 June 2005 the administration of the Trust was transferred from the Westminster Roman Catholic Diocesan Trust to the Daughters of Charity of St Vincent de Paul to be held as an endowment in perpetuity. With effect from 22 September 2020, the restrictions with respect to the expenditure of capital were released, such that any part of the capital can be spent as well as the income, in such manner as the Trustees may in their discretion think fit. As a consequence, during the year the balances on the fund has been transferred to unrestricted income funds.

## 17 Restricted funds

The income funds of the group and Charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purpose.

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Mission funds					
. Ethiopian	406,413	94,207	(175,735)	—	324,885
. Other mission funds	7,514	25,931	(26,282)	—	7,163
Other restricted funds	23,885	116,024	(75,494)	(32,255)	32,160
	<b>437,812</b>	<b>236,162</b>	<b>(277,511)</b>	<b>(32,255)</b>	<b>364,208</b>

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Mission funds					
. Ethiopian	355,947	129,356	(78,890)	—	406,413
. Other mission funds	3,441	16,902	(12,829)	—	7,514
Other restricted funds	29,055	37,971	(22,798)	(20,343)	23,885
	<b>388,443</b>	<b>184,229</b>	<b>(114,517)</b>	<b>(20,343)</b>	<b>437,812</b>

The mission funds comprise monies donated or granted to the charity towards the work of members of the Roman Catholic Congregation, the Daughters of Charity of St Vincent de Paul, in overseas missions.

Transfers from restricted funds to unrestricted funds represent the reimbursement of the unrestricted funds for expenditure.

## 18 Tangible fixed asset fund

	At 1 January 2020 £	Movements in year £	At 31 December 2020 £	At 1 January 2019 £	Movements in year £	At 31 December 2019 £
Tangible fixed assets fund	<b>11,833,803</b>	<b>(1,062,442)</b>	<b>10,771,361</b>	13,344,604	(1,510,801)	11,833,803

The tangible fixed assets fund represents the net book value of the Charity's tangible fixed assets used for the support of the Sisters and their ministry (i.e. excluding those applied for use by the residential and care service establishments and The Space, Govanhill). A decision was made to separate this fund from the General Fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

## 19 Programme related investments fund

Group and charity	At 1 January 2020 £	Movement in year £	At 31 December 2020 £	At 1 January 2019 £	Movement in year £	At 31 December 2019 £
St Joseph's Services property	942,771	(58,101)	884,670	302,351	640,420	942,771
The Louise Project Limited property	379,652	—	379,652	379,652	—	379,652
	<b>1,322,423</b>	<b>(58,101)</b>	<b>1,264,322</b>	<b>682,003</b>	<b>640,420</b>	<b>1,322,423</b>

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by St Joseph's Services, Rosewell and The Louise Project Limited, at a reduced rent but used for purposes consistent with the charitable objectives of the Charity.

## 20 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2020 £	New designations £	Utilised/ released £	At 31 December 2020 £
Sisters' care and retirement fund	22,463,000	—	(573,000)	21,890,000
Residential care and support services fund	5,636,863	—	(343,448)	5,293,415
Development fund	2,000,000	—	—	2,000,000
Project fund	2,016,309	155,182	—	2,171,491
	<b>32,116,172</b>	<b>155,182</b>	<b>(916,448)</b>	<b>31,354,906</b>

	At 1 January 2019 £	New designations £	Utilised/ released £	At 31 December 2019 £
Sisters' care and retirement fund	22,852,000	—	(389,000)	22,463,000
Residential care and support services fund	6,324,197	—	(687,334)	5,636,863
Development fund	2,000,000	—	—	2,000,000
Project fund	1,743,994	272,315	—	2,016,309
	<b>32,920,191</b>	<b>272,315</b>	<b>(1,076,334)</b>	<b>32,116,172</b>

The funds have been designated for the following purposes:

### ♦ *Sisters' care and retirement fund*

This fund consists of monies set aside by the Trustees to provide for the future costs of providing nursing and care costs to elderly Sisters and also to provide for Sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 106 Sisters within the British Province.

## 21 Designated funds (continued)

### ♦ *Residential, care and support services fund*

This fund represents the net assets (including freehold land and buildings) of the residential and care service establishments operated by the Charity.

### ♦ *Development fund*

This fund represents monies set aside for new initiatives and projects newly established as well as buildings developments at the residential, care and support establishments.

### ♦ *Project fund*

This fund represents monies set aside for use by particular projects, principally the missionary work of the Sisters overseas.

## 22 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	At 31 December 2020 Total net assets £
<b>Capital funds</b>					
Endowment funds	—	—	254,175	—	254,175
<b>Income funds</b>					
Restricted funds	—	—	364,208	—	364,208
Unrestricted funds					
. Tangible fixed assets fund	10,771,361	—	—	—	10,771,361
. Programme related investments fund	—	1,264,322	—	—	1,264,322
. Designated funds	4,519,983	26,057,491	813,548	(36,116)	31,354,906
. General fund	—	10,202,790	1,904,680	(80,000)	12,027,470
	<b>15,291,344</b>	<b>37,524,603</b>	<b>3,336,611</b>	<b>(116,116)</b>	<b>56,036,442</b>
	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	At 31 December 2019 Total net assets £
<b>Capital funds</b>					
Endowment funds	—	—	448,991	—	448,991
<b>Income funds</b>					
Restricted funds	—	—	437,812	—	437,812
Unrestricted funds					
. Tangible fixed assets fund	11,833,803	—	—	—	11,833,803
. Programme related investments fund	—	1,322,423	—	—	1,322,423
. Designated funds	4,900,500	26,479,309	818,019	(81,656)	32,116,172
. General fund	—	7,407,492	2,038,072	—	9,445,564
	<b>16,734,303</b>	<b>35,209,224</b>	<b>3,742,894</b>	<b>(81,656)</b>	<b>55,604,765</b>

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

The total unrealised gains as at 31 December 2020 constitute movements on revaluation and are as follows:

	2020 £	2019 £
Unrealised gains include above on:		
On listed investments	<b>4,742,663</b>	2,205,049
Reconciliation of movements in unrealised gains:		
At 1 January 2020	<b>2,205,049</b>	3,178,790
In respect to disposals in the year	<b>(270,927)</b>	(3,044,220)
Net gains arising on revaluation	<b>2,808,543</b>	2,070,479
At 31 December 2020	<b>4,742,663</b>	2,205,049

## 23 Related party transactions with connected organisations

A summary of organisations connected to the Charity and transactions with the Charity are given below:

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust (the Charitable Trust) is connected to The Daughters of Charity of St Vincent de Paul Services (DCSVP Services) (Charity Registration No 1149326, Company Registration No. 07638065) by virtue of the fact that its Trustees are also the Trustees of the Charitable Trust.

Gifts in kind amounting to £140,364 (2019 – £71,000) representing facilities and staff costs was donated to DCSVP Services.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to St Vincent's Family Project (Charity Registration No 1142095) by virtue of the fact that three of the Trustees of the Project, who served during the year, were Daughters of Charity of St Vincent de Paul, one of which was also Trustee of the Charitable Trust.

During 2019 the Charity advanced an interest free loan of £45,000 to St Vincent's Family Project to assist with cash flow. The loan was repayable on demand and as and when St Vincent's Family Project had sufficient funds. The loan of £45,000 was converted to a donation during 2020 and an additional £18,000 was also donated. At 31 December 2020, the Charity had committed to make a grant of £120,000 to the Project payable over three years at £40,000 per annum.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Vincentian Care Plus Limited (Charity Registration No 1112473, Company Registration No 05321333) by virtue of the fact that Vincentian Care Plus Limited was initiated by the Congregation and the fact that three of the Trustees of Vincentian Care Plus Limited who served during the year were Daughters of Charity of St Vincent de Paul.

During the year the Charitable Trust received £80,000 from Vincentian Care Plus Limited (2019 - £20,000) in gratitude for the donations made by the Charity to help with cash flow. Now that Vincentian Care Plus is beginning to generate a surplus, its Trustees felt it only appropriate to give back some of the funds that had been donated.

**23 Related party transactions with connected organisations (continued)**

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Out There Supporting Families of Prisoners Limited ('Out There') (Charity Registration No 1120342, Company Registration No 6239170) by virtue of the fact that Out There Supporting Families of Prisoners Limited was initiated by the Congregation and the fact that three of the Trustees of Out There Supporting Families of Prisoners Limited who served during the year were Daughters of Charity of St Vincent de Paul, one of which was also a Trustee of the Charitable Trust.

In 2015, a grant of up to £250,000 from the Charitable Trust to Out There was agreed, to be paid in instalments. During the year the Charitable Trust paid £nil to Out There (2019 - £nil). At 31 December 2020 the maximum remaining grant payable to Out There was £66,000 (2019 - £66,000).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Vincentian Volunteers (Charity Registration No 1161536) by virtue of the fact that Vincentian Volunteers was initiated by the Congregation and the fact that two Sisters sit on the Board, one of whom is also a Trustee of the Charitable Trust, and a Sister is the Director of Vincentian Volunteers.

During the year the Charitable Trust gave a donation of £5,000 (2019 - £5,000) to the Vincentian Volunteers.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to both Depaul UK (Charity Registration No 802384, Company Registration No 2440093) and Depaul International (Charity Registration No 1107385, Company Registration No 5245818). Depaul UK was initiated by the Congregation. Depaul International is now the parent charity of Depaul UK. There are no Trustees of the Charitable Trust sitting on their Boards of Trustees.

During the year the Trustees donated £20,000 to Depaul International in response to a Covid-19 appeal (2019 – £nil).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to The Passage 2000 (Company Registration No 3885593) by virtue of the fact that The Passage 2000 was initiated by the Congregation. One Sister who sits on the Board of the company is a Daughters of Charity of St Vincent de Paul.

During the year the Trustees donated £1,000 to the Passage in response to a Covid-19 Appeal (2019 – £nil).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to St Joseph's Services (Charity Registration No SC045482 (Scotland), Company Registration No SC500182 (Scotland)) by virtue of the fact St Joseph's Services was initiated by the Congregation. Three Sisters who sit on the Board of the company are Daughters of Charity of St Vincent de Paul, one was also a Trustee of the Charitable Trust.

## 23 Related party transactions with connected organisations (continued)

As explained in note 13, In both 2019 and 2020 certain properties were sold or gifted to St Joseph's Services, Rosewell. This sales and gifts were agreed after both the Charity and St Joseph's Services had taken independent professional advice and after taking in to consideration the fact that both are registered charities. The proceeds from properties sold to St Joseph's Services, Rosewell in 2019 were £333,370 whilst the value of the property donated in 2020 was £59,000.

Included in programme related investment income is £20,000 (2019 - £20,000) being rent for New Lodge paid by St Joseph's Services to the Charitable Trust.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to The Louise Project (Charity Registration No SC047316 (Scotland), Company Registration No SC555365 (Scotland)) by virtue of the fact The Louise Project was initiated by the Congregation. Two Sisters who sit on the Board of the company are Daughters of Charity of St Vincent de Paul, one was also a Trustee of the Charitable Trust.

Included in programme related investment income is £15,000 (2019 - £15,000) being rent of the property occupied by the Louise Project and paid to the Charitable Trust.

There were no other transactions between the Charitable Trust and the Charity during the year (2019 – none).

## 24 Ultimate control

The Charity, which is constituted as a Trust, was controlled throughout the period by the Daughters of Charity of St Vincent de Paul, British Province by virtue of the fact that the Sister Provincial of the Province appoints the Trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the British Province are vested in the Trustees of the Charity, who undertake all transactions in the course of the Province's charitable activities.

## 25 Leasing commitments

### *Operating leases*

At 31 December 2020, the Charity had the following future minimum commitments under non-cancellable operating leases in respect to equipment and motor vehicles:

Amounts falling due:	2020 £	2019 £
. Within one year	65,209	38,800
. After one but within five years	167,166	148,960
<b>Total</b>	<b>232,375</b>	<b>187,760</b>



## 25 Leasing commitments (continued)

### *Finance leases*

At 31 December 2020, the charity had the following future minimum commitments under finance leases in respect to furniture and equipment:

	2020 £	2019 £
Amounts falling due:		
. Within one year	56,621	56,621
. After one but within five years	43,185	99,806
	<b>99,806</b>	156,427
Amounts representing interest	(18,150)	(29,231)
<b>Total</b>	<b>81,656</b>	127,196
Summary		
Amounts repayable within one year (note 15a)	45,540	45,540
Amounts repayable after one year (note 15b)	36,116	81,656
	<b>81,656</b>	127,196

## 26 Contingent liability in respect to alleged historic abuse

As explained in the Trustees' Report, The National Inquiry into Historical Abuse commissioned by Scottish Ministers under the Inquiries Act 2005 in Scotland has held hearings in relation to two of the Congregation's former homes in Scotland.

Since the year end, the Scottish Government has passed legislation to establish a Redress Scheme. Alongside other providers of care in Scotland (both past and present), the Daughters of Charity of St Vincent de Paul will be invited to contribute towards the funding of the payments to be met by the Scheme. A decision by the Daughters will be made once there is greater clarity on the Scheme, its operation, approach and financing. However, any such contribution would be made from the assets of the Charity. Key principles regarding the Scheme are still being discussed and so significant uncertainty exists over the amount of any such contribution, although it is likely to be measured at several million pounds.

In addition to possible contributions to the Redress Scheme in Scotland, at the date of signing this report, the charity has received a number of specific claims in respect to alleged historic abuse. The Congregation continues to receive correspondence from new individuals and continues to address each claim or subject access request proactively from receipt. In a limited number of the claims received to date, it has been possible to retrieve records and progress investigations as far as possible given the limitations on available evidence. During the year to 31 December 2020 one such case was settled without litigation, with the express approval in advance of the Trustees and after close consideration of legal advice, on the basis of an economic analysis, without admission of liability.

## 26 Contingent liability in respect to alleged historic abuse (continued)

While one claim was litigated during the period to 31 December 2020, the matter remains at an early procedural stage where the pursuer has not been required to disclose evidence on value, or make a Statement of Valuation, and there is no date scheduled for evidence to be heard on any of these issues, therefore no provision has been made in these accounts for the future settlement or cost relating to this or other intimated claims given the inevitable uncertainties that exist whilst investigations are progressed.

## 27 Post balance sheet event

With effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of Marillac Neurological Care Centre were transferred from the Charity to an independent Charitable Company limited by guarantee and incorporated in England and Wales (Charity Registration Number:1184495 and Company Registration Number 12085591). The new independent charitable company is a subsidiary of the Daughters of Charity of St Vincent de Paul Services.

The assets and liabilities transferred as at that date comprised the following:

	31 March 2021 £
Tangible fixed assets	
. Cost	1,129,433
. Depreciation	(546,434)
	<u>582,999</u>
Debtors	727,970
Cash at bank and in hand	536,685
Creditors: amounts falling due within one year	(348,376)
Creditors: amounts falling due after one year	(24,731)
	<u>1,474,547</u>

The assets and liabilities were represented by the following funds:

	31 March 2021 £
Restricted funds	23,425
General funds	938,394
Tangible fixed assets fund	517,728
	<u>1,474,547</u>

In addition, the Trustees agreed to transfer an additional £600,000 to the new charitable company with effect from 1 April 2021.