

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

**Annual Report and Accounts**

31 December 2021

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

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

<b>Trustees</b>	Sister Ellen T Flynn Sister Kay Harte Sister Sarah King-Turner Sister Mary T O'Neill Sister Kathleen M Page Sister Theresa Tighe Sister Maureen Tinkler
<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
<b>Facsimile</b>	020 8959 7155
<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 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 44 to 53 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. 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 – the impact a year on***

#### ***Cardiff***

Cardiff, our only remaining house in Wales, also provided pastoral support by telephone in these unusual circumstances. Local elderly people missed the weekly late Mass and healthy soup lunch which provided an important social gathering, so the Community of three Sisters gathered a small group of volunteers and together provided '*souper deliveries*' including personalised cards which were very much appreciated.

The Sister who originally founded two projects for those who were asylum seekers and refugees, also continued to work with staff and volunteer teams to help move those who were destitute into accommodation. Although the Drop-in centre, Space4U, was brought to an almost complete standstill at first, the Accommodation Project, Home4U, became busier than ever both in terms of referrals and support. The tragic position of destitute asylum seekers became very evident and understanding and empathy grew as Stay Home, Stay Safe provided an overwhelming challenge to those who had no rights and to those working with them. Even those accommodated by the Home Office lived in properties without a picture on the wall, a plant, a book or a game and some sharing a house with others who didn't share a common language – 'Home' did not describe it. Home4U opened three new properties during the pandemic.

#### ***Carlisle Place***

During lockdown, the Sisters in Carlisle Place were invited by DC Services to begin a phone support service for people receiving care from Vincentian Care Plus. This was to provide company and support during the long months when family and friends could not visit. The people were delighted to chat each week and although lockdown is over, several of the Sisters still continue to phone each week. The elderly people look forward to the calls.

Also, one of our Sisters provided the same kind of service – telephone support – to five asylum seekers and continues to support them in this way today.

Although most homeless people were offered accommodation in order to protect them from Covid, some remained on the streets and so we always responded to them when they called at the door, by providing food, a hot drink and a chat.

Our ministry of prayer was deepened during this time as we joined all people of faith throughout the world who prayed each day for all those who were suffering or dying from the pandemic. We were always very conscious to bring to prayer, families living in cramped conditions with little access to outside space or internet access for the children to engage in online education, as well as those suffering from domestic abuse or mental illness.

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

### ***Hulme Community, Manchester – Ministry January – December 2021***

In spite of Covid and its restrictions, overall, the Sisters continued their usual ministries.

When Covid restrictions allowed, they met personally with Sisters, patients, clients, colleagues and volunteers and used Zoom, WhatsApp and the telephone when face-to-face meetings were not possible. Throughout the year they followed all the guidelines with regard to wearing face coverings and testing for Covid.

Their ministries included the following:

Membership of the Provincial Council – regular meetings and on-going support of local communities and Sisters.

Various Trusteeships – meetings, interviews and support of staff and clients.

Vincentian Volunteer Programme – volunteers from overseas supported in their workplaces and living arrangements.

Hospital Chaplaincy - visiting continued weekly throughout the year.

Training and Formation – regular meetings were held – in person where possible, otherwise via Zoom. Research and planning continued.

In the Cathedral Parish, Sacramental preparation was carried out with children (First Reconciliation and Communion), teenagers (Confirmation) and adults (R.C.I.A.) Visits to housebound parishioners were limited by the Conference of Bishops to one per morning and one per afternoon.

All the Sisters occasionally helped the St Vincent de Paul Society in the foodbank and supported local families with visits and food.

### ***Abbey Wood***

Since returning to Abbey Wood after the lifting of the Covid restrictions, the Daughters have returned to active participation in the Parish. We support the parish community by attending daily Morning Prayer and Mass with the parishioners.

One Sister continued her work in the Local Catholic Secondary School, St Paul's Academy. She worked with the school Chaplain and the Youth St Vincent de Paul Society. A number of the children received the Jack Petchey Achievement Award. This is awarded to young people who have gone above and beyond to achieve. These children had been fundraising for the poor in their area.



We involved some of our local children in an Environment activity. They came to our garden to paint nesting boxes and plant seeds to take home and watch them grow.

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

### ***Abbey Wood (continued)***

We worked with the Women's group in the planning of a Parish Prayer Day, over 25 women attended this event. We also worked in preparation for the Parish Bazaar in December, collecting gifts for sale, running our own stall to raise much needed funds for the Parish.

During the early part of 2021 we organised a weekly Zoom Catechesis activity for the children of the Parish. Approximately 15 children attended regularly. We decided to round it off with a BBQ and a magician. It was a wonderful celebration in our back garden.



We organised a weekly Zoom prayer meeting during Lent in preparation for Easter. We had an average of 10 participants each week. It was well received and appreciated. For the Parishioners it was more acceptable on Zoom as the evenings were still dark and leaving their homes to come to a venue would have been daunting. Three people attended from other Parishes in the area.

The Daughters organised the Lenten Parish Retreat at the request of the Parish Priest. It was well received and well attended by about 40 people, including families and teenagers.

One Sister is Volunteering one day a week in the local parish school.

## **3. MARILLAC NEUROLOGICAL CARE CENTRE**

With effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of Marillac Neurological Care Centre (MNCC) 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.

### ***Celebration of its Centenary***

In 1921 the Daughters of Charity purchased a property in Warley, Essex, a short distance from where it is now, for the care and rehabilitation of children, Sisters and eventually adults, suffering from TB and other lung conditions. As the prevalence of TB declined, the local hospital board ask the Sisters to take young chronically sick patients. It was to cater for these patients that the Daughters of Charity bought the present building that had been the Officers' Mess of the Essex Regiment before it moved to Chelmsford. The building was adapted and opened in September 1963. Gradually the service has developed into what it is today, a centre of excellence, providing specialised nursing care and treatment for 52 residents with complex neurological conditions.

The centenary was celebrated on 8 September 2021 – it celebrated that sense of the unbroken stream of care, delivered with its distinctive values, reaching back to the first Sisters who came to Warley and even further back, well beyond 400 years, to Louise de Marillac herself, the co-foundress of the Daughters of Charity - after whom the Home is named.

### 3. MARILLAC NEUROLOGICAL CARE CENTRE (continued)

#### *Celebration of its Centenary (continued)*

At the heart of The Marillac, as it has been from the very beginning, are the residents and their families. They are its life and breath, its inspiration and they were held at the centre of our centenary celebrations. Without them we would have nothing. They bring to us so much that is unique and special – each resident and each family member in their own way.

Since the beginning, 266 Sisters have ministered in The Marillac. We pay tribute to them and all the Sisters who have served there over the years. We acknowledge the continuing presence of our Sisters who live and serve there today and the enormously important presence of our older retired Sisters, who live in Seton Care as an integral part of The Marillac.



The glass feature to be unveiled was commissioned by the Daughters of Charity of St Vincent de Paul for the centenary of Marillac Neurological Care Centre. The Marillac was founded by the Daughters of Charity on 8 September 1921. It took its name from Louise de Marillac who along with Vincent de Paul co-founded the Daughters.

This art was commissioned to speak of the Vincentian spirit of Louise de Marillac which finds expression today in the work of the staff, volunteers, friends, residents and family of The Marillac. It seeks to inspire the community of Marillac Neurological Care Centre to continue to live and deepen this same Vincentian spirit today and into the future.

This work of art by the artist Kirsty Brooks will be unveiled by Sister Julie Kubasak, General Councillor of the International Company of the Daughters of Charity.

### 4. CARING FOR MEMBERS OF THE CONGREGATION

#### **St Vincent's, Southport**

Another year on at St Vincent's – Covid remains a significant presence within the home but not as much in our thoughts and conversations as we try hard to get things back to the new normal. We have tried hard to keep the home full of life and offer lots of different things for the Sisters to do such as fundraising for Macmillan Cancer Support, Queenscourt Hospice and the Vincent de Paul Society. The Sisters enjoyed an afternoon at the fun fair in the comfort and safety of their own home, where the team took them back in time by creating stalls and games from the past. The Sisters have managed to get out for shopping and to socialise and spend time with their families and friends most of the time (with the exception of December and early January, when we were only allowed to have two named visitors per Sister). We did however manage to get out for a lovely Christmas lunch together, which everyone enjoyed thoroughly. The Sisters still really miss welcoming visitors for lunch in the dining room and even now that they can have lunch together with their visitors in a separate area, do not feel this is the same. The Priest has returned to offer Mass twice a week in the chapel and the Sisters are now using the chapel for prayers each evening. The Sisters and staff often say how much they miss the other community houses coming in for mass and coffee each morning. We are currently waiting an update from Sefton Local Authority on what we can expect moving forward, living with Covid.

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

##### St Vincent's, Southport (continued)



We have been very fortunate that all of the Sisters have remained safe and well. However, as the Sisters are and continue to reach remarkable ages, their general wellbeing naturally declines and care

needs have increased. The Sisters continue to receive exceptional care. This is very clear to see and highlighted by the attention to detail of our loyal and trusted team.



Over the last few months we have had the lounge refurbished and, with the Sisters help on colour schemes and soft furnishings, managed to put together a beautiful, bright and welcoming room. The Sisters love it!

Due to increasing concerns around the security of the car park and rear of the building we have added security gates that are linked to the fire alarm; this has been successful in stopping the general public walking through the grounds etc.

We applied for a grant from Sefton Local Authority to supply and fit an external lift to allow the Sisters much more independence in accessing the garden area. Fortunately we were one of the 20 care homes in Sefton that got this.

This has enabled the Sisters to utilise the garden whenever the weather permits.

On a sad note we had to lose three members of our team due to the government legislation of mandatory vaccines in care homes (which was revoked on 15 March 2022). This was extremely difficult and cast a shadow over the Sisters and the team, as we struggled to say goodbye. It was very emotional for everyone and upsetting to now know it will all change again.



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

##### St Vincent's, Southport (continued)

The Sisters are encouraged to live a full community life, participating in all aspects of what it means to be a Daughter of Charity, in spite of age and health. Prayer life is strong and spiritual needs are well met in spite of Covid. Community sharings/meetings and some fun are part of life. The Sisters like to be involved in the life of the community locally, in the Province and Internationally. The Zoom sessions are very much appreciated. Pastorally, the community are well supported and comforted in their ups and downs, fears, grief and anxieties during the year. In spite of it all, the Sisters pray for the needs of the world – the church, community, St Vincent de Paul requests, staff intentions and many more. The Sister in charge of each community, together with the other Sisters, try to live out their calling in a loving way and support each other pastorally. Finally the Sisters appreciate the staff enabling them to be as independent as possible and for the tender loving care they receive.



##### Seton Care, Essex



2021 has still been a challenging year with the pandemic, particularly with staff shortages. The staff have worked extremely hard to cover shortages and ensure enough staff are always on site.

In September we were fortunate to have the 100 year celebration at The Marillac which was a very happy occasion especially after all the pandemic restrictions. The Sisters were involved in creating the lighthouse display in the hall.



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

##### **Seton Care, Essex (continued)**



For Christmas we decided to celebrate with a tea party, although we couldn't invite guests as we usually would do. The best was made of the occasion with a Christmas cake the Sisters made together, and even a karaoke machine!

##### **St Catherine's, Lanark**

The Sisters at St Catherine's have experienced a difficult couple of years.

2021 has seen many changes for them and how they carry out their day to day lives. There have been many ups and downs during the past year, and this has greatly affected their physical health as well as their mental health. Social interactions have been limited due to restrictions put in place by public health when a staff member tests positive. Sisters had to remain in their rooms for 14 days at a time, recently this has been reduced to 10 days. The greater impact on protecting the Sisters has had the opposite effect on them. They have become socially excluded and a little withdrawn from the local community. The parishioners who visited on a regular basis stopped visiting and visits were dependant on whether staff working had tested positive. We continue to follow the guidance from public health and are vigilant with testing everyone who enters the property. We have been very lucky that in the past six months none of the Sisters have tested positive. This is down to ensuring that all staff always wear PPE and follow the government guidance in place. Staff absence has been very difficult to manage, and everyone has been working over and above during this difficult time. Agency staff have had to be used at times due to the difficulties of covering the shifts. It is very difficult to forward plan now as the government guidance and everyday lives are changing on a regular basis.

As Covid restrictions have been slowly lifting we have been encouraging the Sisters from Gavel Lane to visit on a regular basis. Father John Paul has started to have Mass in the chapel within St Catherine's, but this is dependent on restrictions that may be placed on the home. All visits to St Catherine's are on a planned basis and family visits are in line with the government guidance in place.

The Sisters' spiritual needs are always at the forefront of the day and their day is based around prayer and meeting up in the community room. The Sisters have access to the internet and daily mass live streamed from around the world. Zoom meetings have been important and everyone now seems to be a bit more confident in embracing technology.

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

##### **St Catherine's, Lanark (continued)**

The Sisters are very clear in what they want to do and have been very slowly starting to go back to Church on a Sunday although they are very cautious especially when meeting up with people in the community.

The Sisters enjoy each other's as well as their own company. It is important to note that the Sisters are very set in their ways and activities are not at the forefront just now. Televisions were installed in every room as well as wi-fi. They have many activities available so that they have a variety of choice. Colouring in, jigsaws, watching television, reading, some of the Sisters enjoy the use of technology and use their kindle and i-pads for keeping in touch with their family members.

Community based activities are slowly starting back up and the Sisters will join in when they can. The public have not been reintroduced to St Catherine's; this is because it is unsafe at present due to the rise in Covid cases within the community. Hopefully soon things will get better.

Jack started St Catherine's very own vegetable patch and May has been using some of the produce in meal preparations.

Sister Paula visited her sister accompanied by Sister Servant. This was great to see especially due to the Covid restrictions in place. This was a very positive meeting.

Initially Sister Barbara played the piano in the dining room, and it was felt that it would be a good idea especially in times when there are restrictions in place that she continued to have access to playing the piano. Sister Barbara now has an organ in her bedroom that she enjoys playing on a regular basis. This has been especially beneficial when there have been restrictions put in place due to Covid.

Sister Paula is now knitting, and this is great to see.

Sister Connie and Sister Linda stayed at the holiday flat from Monday 27 December until Thursday 30 December 2021.

Father Paul Roche was here for Retreat on the 28 of November until the 4 of December staying in the holiday flat. This was very much enjoyed by all.

The Sisters continue to celebrate all the feast days and the home is decorated to suit these occasions. Everyone looks forward to these.

Forward planning for the Sisters depends on restrictions in place and what is important to them. It is very difficult to forward plan at present, but we are always looking for community-based activities especially involving St Mary's Parish that the Sisters can attend.

Hopefully 2022 will be a better year for everyone.



## 5. OVERSEAS MISSIONARY WORK

### Ethiopia

It has been another year of highs and lows. As we came out of lockdown here in the UK many other parts of the world went back into lockdown, all in the quest of holding back the spread of the Covid-19 virus. We learned more this year about climate change and its impact on our planet - these are challenging times indeed. Ethiopia has been faced with political unrest in the north which has affected all the charity work being carried out in areas. But we have many things to be thankful for, one being our supporters, without whose generosity many children in Ethiopia would go hungry.



We have still not been able to hold our usual annual fundraising event. In the meantime, we are anxious to continue our support for the Kindergarten food project. The political situation in Ethiopia is of great concern. However, we aim to do what we can for the young children.



Each month we send £2,215 for the food programme in 13 kindergartens to support and provide food for approximately 1,000 children, aged between two and six years old. One kindergarten has a pre-school centre for babies up to two years old enabling mothers to work. Once again we launched our annual Christmas Appeal through JustGiving. As always, 100% of all donations goes to our Sisters in Ethiopia for the running of the project – nothing is kept for administrative costs. With the appeal sent to our donors and Sisters, we were able to raise over £11,000. We have also received generous donations through Sisters towards supporting this ongoing project and to keep the children fed. The donations are also used for school uniforms, hygiene materials, teachers' and supportive staff salaries, stationery materials and transportation.



We send the funds to the following kindergartens each month:

1. Alitena KG
2. Bulbula KG
3. St Louise Mekelle KG
4. Bahir Dar KG
5. Dembidollo KG
6. Maichew KG
7. Atse School KG
8. Wolaita Soddo KG
9. Jimma KG
10. Jimma WID
11. Bahir Dar



## 5. OVERSEAS MISSIONARY WORK (continued)

### Ethiopia (continued)

Due to the political problems in the north we have been holding all the donations for Alitena, Tigray, Mekelle, Maichew and also any other projects running there since June. There have been communication problems and the Sisters are unable to send any money across to these areas. We will be holding all the donations until further instructions.

A generous and kind donor, Zoe Wildig, decided to put out an appeal given the problems in the country, to support the Sisters in Tigray who were helping all the people being affected by the fighting. Through the appeal, she managed to collect over £21,000. We are still holding over £6,000 waiting to be sent.

The Sisters run an eye clinic in Mekelle and well as clinics for women in Danka Dembidollo, where women with health problems are given medical attention, medicines, clothes and mental support. There is medical centre in Alitena as well. The Sisters try and provide treatment to the patients as well as educate the people on hygiene, HIV and also other health conditions.



There are Women In Development projects run all over the country. It is an extensive development program with an attempt to raise the standard of living and dignity of women, sustain their life and may also help themselves and their families. The women are taught different skills, such as agriculture, and animal and poultry keeping to generate regular income.



### *Impact story*

Atse Teklegiorgis Catholic School is run by the Daughters of Charity. It is over 50 years since it was started. The school provides free education and food provision to poor children. The school has many successful stories. Those who have passed through Atse School got better jobs and are better able to support their families. They are also grateful for the school. This is a success story of W/ro Yimany Belachew.

## 5. OVERSEAS MISSIONARY WORK (continued)

### Ethiopia (continued)

#### ***Background information about W/ro Yimanyi Belachew***

W/ro Yimanyi Belachew is 54 years old and she was born in Gojam, which is 402 km from the capital city of Ethiopia, Addis Ababa. She is physically impaired (blind) and society was neglecting her because of her blindness. In the community where she came from, blindness is like a curse for the family. When visitors came to their house, her mother used to hide her in the house. Therefore, she decided to go to Addis Ababa for further treatment. She was not able to get treatment and decided to marry and stay in Addis Ababa. After marriage, she used to live with her husband and had six children from him. Her husband was sick for a period and died. After his death, it was not easy for her to pay the house rent, school fees and provide basic needs for her children. She decided to live at the gate of Holy Savior Orthodox Church, near Kechene area.

One day, one of her friends encouraged her to go and talk to the Sister who is in charge of Atse Teklegiorgis Catholic School. She came and narrated the whole story. The Sisters accepted the children and they continued learning while they were living at the gate of the church. The Sisters paid for the house rent for some time. Since she is a visually impaired single mother, the government gave her a kebele house and she is now living with six of her children and her nephew who is seven years old. Most of the time, Sisters support her with food provision and educational support for her children. Six of her children attended Atse Teklegiorgis Catholic School from kindergarten to 8<sup>th</sup> grade.



Two of her elder sons are working in private organisations and supporting their mother whenever they can. One of her daughters is abroad and supporting her mother too. Therefore, W/ro. Yimanyi Belachew said, "Kindness is a language which the blind can see and the deaf can hear. I feel blessed because Daughters of Charity are here to stay, to share your life with me in so many ways. Thank you is all I have to say to all the Daughters of Charity and Atse Teklegiorgis Catholic School staff who touched my life and change the life of my children in one way or another".

#### **Covid-19 INDIA APPEAL**

Covid-19 hit the world in all aspects. Every country had its peak at different times of the year. India had the second wave and it was at its peak in May 2021 and they had an average of 400,000 cases daily during the peak. The virus has been affecting the people in different ways physically, mentally and financially.

The Daughters of Charity of St Vincent de Paul based in the south and the north of India had a challenge on their hands. The Sisters in the south opened their doors to anyone and everyone they could help. The Sisters in the north needed some funds to buy a ventilator to help the patients.



## 5. OVERSEAS MISSIONARY WORK (continued)

### Covid-19 INDIA APPEAL (continued)

Sister Ellen, after being in touch with Sister Rose in the south, put out an appeal to see if we could support them financially so they can carry on the good work. The response has been overwhelming and heart felt. We received great support from generous donors, Sisters all over the country and Australia, the local parish, St Josephs in Scotland and also the parishes around Midlothian. A raffle was organised to raise funds too. Stephen Martin, who is a trustee at St Josephs, has raised over £4,600 by cycling from John O'Groats to Lands' End to support the appeal. We managed to collect an amazing £23,428.38, which was split equally between both north and south.

Sister Rose, along with the Sisters in the south, was able to do a lot with that money. They purchased provision kits and distributed them to the poor people, especially to the migrants and people of the slums, during the lockdown. They cooked food and distributed food parcels to people with help from collaborators in the slums. They also helped the Covid centre in Manmad to purchase medicine, oxygen tanks, PPE kits and other medical supplies.



Sister Theresa, along with the Sisters in the north, was in desperate need of a ventilator and other medical supplies to help the patients that were coming in big numbers. As soon as the funds reached there, Sister Teresa ordered the ventilator. They also managed to get beds, syringe pumps, monitors, laboratory equipment, Covid antigen test kits and an automatic haematology test machine for the lab. Having all these facilities have saved them many problems in the laboratory. Until then they were sending the samples to outside laboratories and waiting for reports. But now they can do these tests quickly in the lab and start the treatment sooner.

We received feedback from both areas of India regarding all the work done using the donations and they appreciated all the help they got.



## **LOOKING AHEAD TO 2022**

### **Ukraine – two appeals we are funding**

The Daughters of Charity of St Vincent de Paul, Depaul International and the Vincentian Family worldwide are all very closely linked and all are extensively involved in providing relief and humanitarian aid to Ukraine. There is much to be done and we are appealing for financial assistance, which will go straight to the relief of the Ukrainian people, for whom we care deeply. This appeal gives us opportunity for us to play a vital part in the work of the Daughters of Charity and/or Depaul International who are working both inside Ukraine and on the borders of Poland and Slovakia and providing accommodation for refugees in all the neighbouring countries.

We have 24 Sisters in Ukraine most of whom come from Poland and Slovakia. Some of them have been forced to leave their hometowns but all of them have stayed in Ukraine to organise relief for the refugees and to be available for the service of the elderly and the sick.

We have been in touch with the Provincials of the Polish and Slovakian Provinces pledging our prayers and support. We sent a small donation to the Province of Krakow to help with the relief services on the border and they have also received a large number of refugees into their Provincial House. Most of our communities in Poland have answered the call to house refugees in conjunction with the Conference of Major Superiors and Caritas. Local communities in other countries are also preparing to receive refugees.

We have been advised that the best way to support them is to send money rather than goods, as the needs change by the hour and we can be certain that any donation will go straight to the Sisters at the front line. We have already sent £5,000 and our Sisters and their communities throughout the two areas of our Province, Great Britain and Australia, have been sending in their donations for Ukraine.

### **Our New Representative at the UN**

The Congregation of the Daughters of Charity has two representatives at United Nations who work in close collaboration with members of the Vincentian Family and other NGOs.

One Sister works in New York while the other represents us in Geneva. This year, 2022, there is to be an addition of personnel in both places. One of our Sisters in this Province, has been appointed to the UN office in Geneva. She will continue to be part of our Province.

## **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.

## **ENVIRONMENTAL ISSUES**

### **Investment in Fossil Fuels**

As mentioned in last year's Trustees' Report concerning our response to the COP26 World Climate Change Meeting, the Daughters of Charity signed up to the global divestment announcement for faith organisations. The statement reads: "The Province does not hold any fossil fuel investments and will not invest in fossil fuels in the future."

### **Energy Consumption**

The Daughters of Charity have put in place measures to reduce our energy consumption in our use of gas and electricity in our community houses and properties.

### **Carbon Emissions**

The Daughters of Charity have a policy in place that whenever a car needs to be replaced, a second-hand hybrid car will be purchased, which will enable us to eliminate our carbon emissions in towns and cities where most of our driving takes place. A number of such cars have already been purchased.

## **INVESTMENTS**

### **Policy - listed investments**

The Charity has a portfolio of listed investments with a market value of approximately £33.4 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.

## **INVESTMENTS** (continued)

### ***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.

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 2.11% (2020 – 2.21%). The investments increased in value and the capital yield for the year was 7.46% (2020 - increase 9.55%). 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 38 of the attached accounts.

Income for the year to 31 December 2021 totalled £4.68 million compared to £8.82 million in 2020. This decrease in income is mainly due to the discontinuing operation of The Marillac Neurological Care Centre, which became an independent Charitable Company on 1 April 2021. The discontinuing income for 2021 is £1.6 million compared to £6.1 million in 2020.

Expenditure, including the transfer of net assets to MNCC of £1.5 million, has increased from £10.9 million in 2020 to £17.3 million in 2021. As above, Marillac Neurological Care Centre's independence has impacted expenditure as well with discontinuing expenditure of £3 million compared to £6.4 million in 2020.

In the year the Charity agreed a contribution to the Scottish Redress Scheme of up to £10 million. This contribution is payable over a 10 year period, £1 million of which has been paid in the year. The remaining commitment is shown in these accounts as a creditor of £2 million (discounted to £1.98 million) and a provision of £7 million (discounted to £5.94 million).

Staff costs, once MNCC is removed, have increased in the year. The Charity is committed to the workforce, and increases to care staff wages have increased in line with commitments of both the UK and Scottish Governments. All other expenditure is in line with previous years.

### **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 £46 million (2020 - £56 million).

Of this, £10.5 million (2020 - £10.8 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 £4.3 million (2020 - £1.3 million). The fund is represented by freehold properties occupied by other charities:

- ◆ A property used by The Louise Project Limited (formerly known as The Space for its head office and a drop-in centre.



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

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

- ◆ The land and buildings used by Marillac Neurological Care Centre (MNCC). With effect from midnight on 31 March 2021, the Charity donated the net assets (excluding the freehold land and buildings) to a newly established charitable company which continued the activities previously carried out by the Charity from 1 April 2021. The freehold to the land and buildings was retained by the Charity and with effect from 1 April 2021 the properties with a net book value of £3.9 million were reclassified from tangible fixed assets to programme related investments.
- ◆ Four of the Charity's properties (a small residential care home with the other three being houses of multiple occupancy for people with learning disabilities) used by St Joseph's Services, a separately registered charitable company, were classified as programme related investments until they were sold to St Joseph's Services during the year.

Funds of £20.7 million (2020 - £21.9 million) have been set aside in the Sisters' care and retirement fund to provide for the Sisters' holistic needs going into the future.

The value of the fund has been calculated based on actuarial principles to provide for each of the Province's 101 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 £nil (2020 - £5.3 million) represent the accumulated net income of Marillac Neurological Care Centre, which had been designated by the Trustees for use by Marillac Neurological Care Centre only. Following Marillac Neurological Care Centre becoming independent with effect from 1 April 2021, this designated fund is no longer necessary.

A further £1 million (2020 - £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, £2.4 million (2020 - £2.2 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 (2020 - £254,175) comprise the Salisbury Fund, established in 1871 by a Deed of Trust, when several properties located in Salisbury were gifted to the Congregation.

Restricted funds comprising monies given specifically for overseas missionary work totalled £319,597 (2020 - £332,048) at the end of the year. Other small restricted funds totalled £nil (2020 - £32,160).

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

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

Funds available to support the work of the Sisters in the future are shown as general funds on the balance sheet and amount to £6.6 million (2020 - £12 million). This figure needs to be considered in the light of annual expenditure of £6.3 million (as adjusted for exceptional expenditure in the year) 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 and in accordance with the above policy.

## **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.

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 Accounts and brief biographical details on each of the Trustees are given below:

### ***Sister Moira Bain (resigned 24 January 2022)***

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.

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

### **Governance** (continued)

#### ***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.

#### ***Sister Kathleen Fox (resigned 24 January 2022)***

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 Mary O'Neill***

Sister Mary joined the Daughters of Charity in 1977. Her early ministries were with children with disabilities and with young families. After gaining an M.Sc. in Management of Care, she led the development of a Family Project in Central London. She has been working in Wales for 16 years until December 2021, with asylum seekers who were destitute. She founded a Drop-in Centre and an Accommodation Project, both of which are Registered Charities. Ruth enjoys walking, drawing and writing and loves the countryside and the sea.

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

### **Governance** (continued)

#### ***Sister Kathleen Page***

Sister Kathleen Page joined the Daughters of Charity in 1986. Her ministry has engaged her in a variety of work with families, homeless people and people with disabilities within the contexts of residential care, community organising and project management. She is trained in community and youth work, social care and pastoral care. Since 2005 she has undertaken pastoral care within a social care setting, most recently within one of the DC Services projects.

#### ***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 nine years and during that time served in hospital chaplaincy. She began the Vincentian Volunteers Gap Year and worked 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

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

### **Statement of Trustees' responsibilities** (continued)

- ◆ 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 101 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.'*

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 Business Executive Officer, the Care Home Managers, and the executive team of The Marillac Neurological Care Centre (up until 1 April 2021), 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 Business Executive Officer, and the three Registered Care Home Managers, are reviewed annually by the Trustees. The remuneration benchmarks used for all key management are based on published pay grades for 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.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk management

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

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

**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 2021 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.

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

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

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.

The Daughters have also set up Mission Hearts. These are communities where active Sisters are embarking on active mission, supported by local communities where less active Sisters can support those in active mission with support and prayer. There are four Mission Heart communities located round the country.

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 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 11 to 14, 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. Demand on the Charity's finances***

The Trustees are very aware of the continuing demand on its finances, with increases in salaries, the cost of living, gas and oil prices increasing by the day. This together with the reduction in the income now being received from the investments and the reduction in income from donations, partly due to the shortage of disposable income for most people and the age profile of the Sisters mean less sisters now receiving salaries for their work, which is donated to the Charity by deed of covenant.

This demand on the finances will continue into 2022 and beyond, therefore the Trustees have requested, and now reviewed a budget for three years. They also look to the next ten years to ensure all assets are being optimised to ensure any and all deficits can be met. Expenditure is continually reviewed to ensure the Charity has sufficient funds going forward.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

#### ***Risk 3. 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) and/or from Disclosure Scotland (PVG). The Trustees are committed to implementing all the policies and procedures of the Catholic Safeguarding Standards Agency, England and Wales (CSSA), the Religious Life Safeguarding Service (RLSS) and the SCSSA (Scottish Catholic Safeguarding Standards Agency). 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 3. 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 operated with effect from 25 April 2019 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 3. Protection of children and vulnerable adults*** (continued)

During the year, the Scottish Government has passed legislation to establish a Redress Scheme (Redress Scotland). Alongside other providers of care in Scotland (both past and present), the Daughters of Charity of St Vincent de Paul has contributed towards the funding of the payments to be met by the Scheme. Under the Financial Contribution Agreement with the Scottish Ministers, the Charity will contribute a maximum of £10 million to Redress Scotland. £1 million was paid during the year and a further £2 million is payable in 2022 (note 17a). A further £7 million has been provided for, being the maximum amount that will be payable between 2023 and 2026. From 2023, the annual contribution amount is subject to review to assess the amount payable.

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 2021, the Charity received no complaints about its fundraising activities (2020 – 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.

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

**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.

**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:

Ellen T Flynn

Trustee

Approved by the Trustees on:

13<sup>th</sup> July 2022

**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 2021 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 2021 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' 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;
- ◆ carried out substantive testing of expenditure;
- ◆ 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

22 July 2022

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

## Statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
<b>Income:</b>						
Grants, donations and legacies	1	1,801,294	221,332	—	2,022,626	2,206,001
Investment income and interest receivable	2	694,111	44,340	—	738,451	773,575
Charges for residential, care and support services	3	1,552,055	—	—	1,552,055	5,680,797
Other income						
. Surplus on disposal of tangible fixed assets		211,713	—	—	211,713	107,671
. Surplus on disposal of programme related investments		115,330	—	—	115,330	—
. Rent receivable		28,312	—	—	28,312	36,350
. Miscellaneous income		12,216	—	—	12,216	13,928
<b>Total income</b>		<b>4,415,031</b>	<b>265,672</b>	<b>—</b>	<b>4,680,703</b>	<b>8,818,322</b>
<b>Expenditure:</b>						
Cost of raising funds						
. Investment managers' fees		152,611	10,997	—	163,608	152,444
Expenditure on charitable activities						
. Provision of residential, care and support services	4	1,516,320	51,740	—	1,568,060	6,364,372
. Support of members of the Congregation and their ministry	5	4,399,857	56,693	—	4,456,550	3,991,050
. Charitable grants, donations payable and similar	6	573,758	167,428	—	741,186	392,667
. Contributions to Redress Scotland	7	8,918,000	—	—	8,918,000	—
		15,560,546	286,858	—	15,847,404	10,900,533
Donation of net assets to Marillac Neurological Care Centre (MNCC) (Charity Registration No 1184495)	10	1,451,122	23,425	—	1,474,547	—
<b>Total expenditure</b>		<b>17,011,668</b>	<b>310,283</b>	<b>—</b>	<b>17,321,951</b>	<b>10,900,533</b>
<b>Net expenditure for the year before investment gains (losses)</b>	9	<b>(12,596,637)</b>	<b>(44,611)</b>	<b>—</b>	<b>(12,641,248)</b>	<b>(2,082,211)</b>
<b>Net investment gains (losses)</b>						
. Listed investments		2,565,000	—	—	2,565,000	2,366,879
. Derivatives		(8,461)	—	—	(8,461)	317,608
. Foreign exchange		85,483	—	—	85,483	(170,599)
<b>Net movement in funds for the year</b>		<b>(9,954,615)</b>	<b>(44,611)</b>	<b>—</b>	<b>(9,999,226)</b>	<b>431,677</b>
<b>Reconciliation of funds:</b>						
Balances brought forward at 1 January 2021		55,418,059	364,208	254,175	56,036,442	55,604,765
Balances carried forward at 31 December 2021		45,463,444	319,597	254,175	46,037,216	56,036,442

A full comparative statement of financial activities is provided on page 40.



## Statement of financial activities Year to 31 December 2021

With effect from midnight on 31 March 2021, the activities, assets (excluding the freehold land and buildings) and liabilities of The Marillac Neurological Care Centre were donated by 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.

Therefore, the income and expenditure in respect to The Marillac Neurological Care Centre relate to discontinued activities within the Daughters of Charity of St Vincent de Paul Charitable Trust.

The income and expenditure figures shown on the previous page split between continuing and discontinued activities are summarised below:

	2021			2020		
	Continuing £	Dis- continued £	Total £	Continuing £	Dis- continued £	Total £
<b>Income</b>	<b>3,041,214</b>	<b>1,639,489</b>	<b>4,680,703</b>	2,717,123	6,101,199	8,818,322
<b>Expenditure (excluding donation to Marillac Neurological Care Centre)</b>	<b>12,801,198</b>	<b>3,046,206</b>	<b>15,847,404</b>	4,464,161	6,436,372	10,900,533

## Comparative statement of financial activities Year to 31 December 2020

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

## Balance sheet 31 December 2021

	Notes	2021 £	2020 £
<b>Fixed assets:</b>			
Tangible assets	14	<b>10,527,282</b>	15,291,344
Investments	15	<b>40,827,541</b>	37,524,603
		<b>51,354,823</b>	52,815,947
<b>Current assets:</b>			
Debtors	16	<b>555,152</b>	742,264
Short term deposits		<b>1,803,957</b>	1,603,926
Cash at bank and in hand		<b>594,193</b>	1,669,955
		<b>2,953,302</b>	4,016,145
<b>Liabilities:</b>			
<b>Creditors:</b> amounts falling due within one year	17a	<b>(2,288,909)</b>	(679,534)
<b>Net current assets</b>		<b>664,393</b>	3,336,611
<b>Total assets less current liabilities</b>		<b>52,019,216</b>	56,152,558
<b>Creditors:</b> amounts falling due after more than one year	17b	<b>(40,000)</b>	(116,116)
<b>Total net assets before provision for liabilities</b>		<b>51,979,216</b>	56,036,442
<b>Provision for liabilities</b>	7	<b>(5,942,000)</b>	—
<b>Total net assets</b>		<b>46,037,216</b>	56,036,442
<b>The funds of the charity:</b>			
<b>Capital funds</b>			
Permanent endowment funds	18	<b>254,175</b>	254,175
<b>Income funds</b>			
Restricted funds	19	<b>319,597</b>	364,208
Unrestricted funds			
. Tangible fixed assets fund	20	<b>10,527,282</b>	10,771,361
. Programme related investments fund	21	<b>4,298,510</b>	1,264,322
. Designated funds	22	<b>24,066,918</b>	31,354,906
. General fund		<b>6,570,734</b>	12,027,470
		<b>46,037,216</b>	56,036,442

Approved by the Trustees and signed on their behalf by:

Ellen T Flynn

Trustee

Approved by the Trustees on: 13<sup>th</sup> July 2022

## Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(4,190,835)</b>	(2,019,621)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>732,305</b>	758,284
Interest received		<b>6,146</b>	15,291
Proceeds from the disposal of tangible fixed assets		<b>301,479</b>	976,040
Purchase of tangible fixed assets		<b>(86,928)</b>	(158,320)
Proceeds from the disposal of programme related investments		<b>500,000</b>	58,099
Proceeds from the disposal of investments		<b>13,570,138</b>	8,335,736
Net cost of settlement of foreign exchange contracts		<b>78,359</b>	(287,834)
Purchase of investments		<b>(11,069,861)</b>	(9,011,612)
<b>Net cash provided by investing activities</b>		<b>4,031,638</b>	685,684
<b>Cash flows from financing activities:</b>			
Loan repayments received		<b>36,900</b>	—
Capital element of finance lease rentals		<b>(11,385)</b>	(45,540)
<b>Net cash provided by (used in) financing activities</b>		<b>25,515</b>	(45,540)
<b>Change in cash and cash equivalents in the year</b>		<b>(133,682)</b>	(1,379,477)
<b>Cash transferred to Marillac Neurological Care Centre</b>		<b>(536,685)</b>	—
<b>Cash and cash equivalents at 1 January 2021</b>	B	<b>4,230,995</b>	5,610,472
<b>Cash and cash equivalents at 31 December 2021</b>	B	<b>3,560,628</b>	4,230,995

### Notes to the statement of cash flows for the year to 31 December 2021.

<b>A Reconciliation of net movement in funds to net cash used in operating activities</b>		
	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(9,999,226)</b>	431,677
<b>Adjustments for:</b>		
Depreciation charge	<b>259,367</b>	732,910
Donation of net assets to Marillac Neurological Care Centre	<b>1,474,547</b>	—
Non-cash operating assets and liabilities included in donation of net assets to Marillac Neurological Care Centre	<b>(425,134)</b>	—
Net gains on investments, derivatives and foreign exchange	<b>(2,642,022)</b>	(2,513,888)
Investment income receivable	<b>(732,305)</b>	(758,284)
Interest receivable	<b>(6,146)</b>	(15,291)
Surplus on disposal of tangible fixed assets	<b>(211,713)</b>	(107,671)
Surplus on disposal of programme related investments	<b>(115,330)</b>	—
Decrease in debtors	<b>650,212</b>	71,597
Increase in creditors	<b>1,614,915</b>	139,329
Increase in provisions	<b>5,942,000</b>	—
<b>Net cash used in operating activities</b>	<b>(4,190,835)</b>	(2,019,621)

## Statement of cash flows Year to 31 December 2021

### B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	594,193	1,669,955
Term deposits (less than three months)	1,803,957	1,603,926
Cash held by investment managers	1,162,478	957,114
<b>Total cash and cash equivalents</b>	<b>3,560,628</b>	<b>4,230,995</b>

### C Analysis of changes in net debt

	2020 £	Loan advanced £	Transferred as part of donation to MNCC £	Cash flows £	2021 £
Cash at bank and in hand	1,669,955	—	—	(1,075,762)	594,193
Term deposits	1,603,926	—	—	200,031	1,803,957
Cash held by investment managers	957,114	—	—	205,364	1,162,478
Finance lease obligations	(81,656)	—	70,271	11,385	—
Loan to St Joseph's Services	—	500,000	—	(36,900)	463,100
<b>Balance at 31 December 2021</b>	<b>4,149,339</b>	<b>500,000</b>	<b>70,271</b>	<b>(695,882)</b>	<b>4,023,728</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 2021 with comparative information given in respect to the year to 31 December 2020.

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.

Income and expenditure has been analysed between continuing and discontinued activities. The discontinued activities relate to Marillac Neurological Care Centre.

**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;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure on charitable activities;
- ◆ estimating the market value of investment land;
- ◆ assessing the recoverability of outstanding debtors for residential and care home fees;
- ◆ estimating the value of any provision in respect to Scottish Redress;

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

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

**Assessment of going concern**

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

When making their assessment, the Trustees have also factored into 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. The Trustees also agreed to donate an additional £600,000 to the new charitable company. Full details of the net assets transferred are given in note 10 to these accounts.

The Trustees also acknowledge and recognise the residual impact of the Covid-19 pandemic on the Charity and the effect of the current macroeconomic and geopolitical climate. The Charity's income may continue to be affected as investment markets react and show greater volatility.

The Trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility 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 and programme related investments.

**Income recognition** (continued)

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.

The surplus on the disposal of tangible fixed assets and programme related investments 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.



**Income recognition** (continued)

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.

- ◆ Contributions to Scottish Redress represent the estimate of amounts that will be payable to the Scheme over the period to 2026 (see note 7). The amounts payable between 2022 and 2026 have been discounted to present value using a discount rate of 5% per annum, the expected average yield from investments earned by the Charity.
- ◆ Donation of assets to Marillac Neurological Care Centre, an independent Charitable Company limited by guarantee and incorporated in England and Wales (Charity Registration Number: 1184495 and Company Registration Number 12085591) (see note 10).

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 8 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 derivatives and 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, The Louise Project Limited or Marillac Neurological Care Centre.

St Joseph's Services occupies the properties at a peppercorn rent. St Joseph's Services 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 were classified as programme related investments. They were 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. In 2021, these properties were sold to St Joseph's Services.

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.

Marillac Neurological Care Centre (MNCC) occupies the property at a reduced market value rent. MNCC is a charitable company registered with the Charity Commission. The work carried out by MNCC 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 31 March 2021, the date on which the activities of MNCC 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 2021.

**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 2021 £
Salaries and pensions of individual religious	1,740,570	—	—	1,740,570
Legacies	15,481	—	—	15,481
Donations for the Congregation's overseas missions	—	121,634	—	121,634
Other donations	31,055	105	—	31,160
Coronavirus Job Retention Scheme funding	14,188	—	—	14,188
Other Covid-19 Government and local authority grants	—	99,593	—	99,593
<b>2021 Total funds</b>	<b>1,801,294</b>	<b>221,332</b>	<b>—</b>	<b>2,022,626</b>

	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>



**2 Investment income and interest receivable**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Income from listed investments				
. Government Bonds	59,547	1,925	—	61,472
. Non-Government Bonds	65,909	5,990	—	71,899
. UK Equities and Equity Trusts	153,501	12,548	—	166,049
. Global Equities	164,811	19,517	—	184,328
. UK property and Unit Trusts	37,948	—	—	37,948
. Alternative Investments	105,542	4,312	—	109,854
	<b>587,258</b>	<b>44,292</b>	<b>—</b>	<b>631,550</b>
Income from programme related investments	<b>100,755</b>	<b>—</b>	<b>—</b>	<b>100,755</b>
Interest receivable				
. Interest on loans	4,431	—	—	4,431
. Monies held by investment managers	1,472	21	—	1,493
. Bank interest	195	27	—	222
	<b>6,098</b>	<b>48</b>	<b>—</b>	<b>6,146</b>
<b>2021 Total funds</b>	<b>694,111</b>	<b>44,340</b>	<b>—</b>	<b>738,451</b>

	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	<b>116,047</b>	<b>—</b>	<b>—</b>	<b>116,047</b>
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>

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
<b>2021 Total funds:</b>				
Nursing home charges	1,552,055	—	—	1,552,055
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
<b>2020 Total funds:</b>				
Nursing home charges	5,680,797	—	—	5,680,797

Nursing home charges relate to income receivable by Marillac Neurological Care Centre, the activities of which were transferred to an independent charitable company with effect from midnight on 31 March 2021 (see note 10).

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Staff costs	1,152,501	50,752	—	1,203,253
Premises	172,400	988	—	173,388
Provisions	26,099	—	—	26,099
Welfare of residents	66,343	—	—	66,343
Other costs	72,973	—	—	72,973
Support costs (note 8)	26,004	—	—	26,004
<b>2021 Total funds</b>	<b>1,516,320</b>	<b>51,740</b>	<b>—</b>	<b>1,568,060</b>
	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 8)	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>

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Sisters' living and personal expenses	858,088	5,996	—	864,084
Premises	1,032,212	9,130	—	1,041,342
Staff costs	1,806,526	41,567	—	1,848,093
Spiritual renewal	68,069	—	—	68,069
Other costs	91,466	—	—	91,466
Support costs (note 8)	543,496	—	—	543,496
<b>2021 Total funds</b>	<b>4,399,857</b>	<b>56,693</b>	<b>—</b>	<b>4,456,550</b>

  

	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 8)	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>

## 6 Charitable grants and donations payable

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Donations to the Congregation's overseas missions:				
. Ethiopia	10,000	122,743	—	132,743
. Haiti	—	1,610	—	1,610
. Bethlehem	—	5,000	—	5,000
. Kenya	—	1,670	—	1,670
. Vietnam	—	10,678	—	10,678
. Syria	—	2,027	—	2,027
. India	—	23,400	—	23,400
. Yemen and Beirut	—	300	—	300
The Vincentian Volunteers	5,000	—	—	5,000
Marillac Neurological Care Centre	600,000	—	—	600,000
Centenary Artwork Marillac Neurological Care Centre	4,986	—	—	4,986
Home4U	32,000	—	—	32,000
The Louise Project	2,850	—	—	2,850
Vincentian Care Plus	(20,000)	—	—	(20,000)
Out There	(66,000)	—	—	(66,000)
Other donations	4,922	—	—	4,922
<b>2021 Total funds</b>	<b>573,758</b>	<b>167,428</b>	<b>—</b>	<b>741,186</b>

## 6 Charitable grants and donations payable (continued)

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 £20,000 (2020 - £80,000) in respect to Vincentian Care Plus (VCP) relates to the voluntary repayment of monies donated to VCP in prior years (see note 24).

The negative amount of £66,000 (2020 - £nil) in respect of Out There relates to unutilised grant provided in prior years and now cancelled as it is no longer required.

	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
2020 Total funds	200,403	192,264	—	392,667

## 7 Contribution to Redress Scotland

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. The Scottish Government has passed legislation to establish a Redress Scheme (Redress Scotland). Alongside other providers of care in Scotland (both past and present), the Daughters of Charity of St Vincent de Paul Charitable Trust has contributed towards the funding of the payments to be met by the Scheme. Under the Financial Contribution Agreement with the Scottish Ministers, the Charity will contribute a maximum of £10 million to Redress Scotland. £1 million was paid during the year and a further £2 million (discounted to £1,976,000) is payable in 2022 (note 17a). A further £7 million (discounted to £5,942,000) has been provided for, being the maximum amount that will be payable between 2023 and 2026. From 2023, the annual contribution amount is subject to review to assess the amount payable.

## 8 Support costs

	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2021 £	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2020 £
Legal and professional fees	19,127	353,165	372,292	15,202	184,088	199,290
Central administration	—	41,661	41,661	28,242	37,462	65,704
Bank charges	3,007	6,471	9,478	12,398	6,353	18,751
Governance (see below)	3,870	142,199	146,069	11,090	60,432	71,522
<b>Total funds</b>	<b>26,004</b>	<b>543,496</b>	<b>569,500</b>	<b>66,932</b>	<b>288,335</b>	<b>355,267</b>

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 2021 £
Auditor's remuneration	29,130	—	—	29,130
Legal and professional	114,746	—	—	114,746
Central administration	2,193	—	—	2,193
<b>2021 Total funds</b>	<b>146,069</b>	<b>—</b>	<b>—</b>	<b>146,069</b>

	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>

During the year, the charity incurred professional fees of £57,847 (2020 - £31,279) 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.

**9 Net expenditure for the year before investment gains (losses)**

This is stated after charging (crediting):

	<b>Total 2021 £</b>	Total 2020 £
Staff costs (note 11)	<b>3,051,346</b>	6,352,839
Auditor's remuneration		
. Statutory audit services – current year	<b>25,260</b>	21,600
. Non-statutory audit services	<b>3,870</b>	11,220
Depreciation (note 14)	<b>259,367</b>	732,910
Surplus on disposal of tangible fixed assets	<b>(211,713)</b>	(107,671)

**10 Donation of net assets to Marillac Neurological Care Centre**

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 donated to 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 donated as at that date comprised the following:

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

The assets and liabilities were represented by the following funds:

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

In addition, the Trustees agreed to donate an additional £600,000 to the new charitable company (note 6).

# **11 Staff costs and remuneration of key management personnel**

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	2,636,449	5,347,325
Social security costs	197,280	422,190
Other pension costs	67,019	152,434
Apprenticeship levy	2,869	10,961
	<b>2,903,617</b>	<b>5,932,910</b>
Agency staff	147,729	419,929
	<b>3,051,346</b>	<b>6,352,839</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:

	2021 £	2020 £
Provision of residential, care and support services	1,203,253	4,569,961
Support of members of the Congregation and their ministry	1,848,093	1,782,878
	<b>3,051,346</b>	<b>6,352,839</b>

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

	2021	2020
£70,000 - £80,000	1	1
£120,000 - £130,000	—	1

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

	2021	2020
Provision of residential, care and support services	41	178
Support of members of the Congregation and their ministry	107	106
	<b>148</b>	<b>284</b>

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

	2021	2020
Provision of residential, care and support services	33	165
Support of members of the Congregation and their ministry	80	78
	<b>113</b>	<b>243</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 Business Executive Officer and the Care Home Managers. It also includes the Executive team of Marillac Neurological Care Centre up until 31 March 2021. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £264,887 (2020 - £464,273).

## 12 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 (2020 - 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 £79,255 (2020 - £69,225).

## 13 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.

## 14 Tangible fixed assets

	Freehold land and buildings			Furniture, plant and computer equipment	Motor vehicles	Total
	Sisters' living accommodation £	Special needs accommodation £	Long leasehold land and buildings £	£	£	£
<b>Cost or valuation</b>						
At 1 January 2021	5,912,059	16,385,082	128,596	725,626	400,465	23,551,828
Additions	—	8,146	—	38,587	40,195	86,928
Transferred to programme related investments (note 15)	—	(8,502,514)	—	—	—	(8,502,514)
Disposals and eliminations	—	(567,213)	(85,973)	(638,605)	(82,938)	(1,374,729)
At 31 December 2021	5,912,059	7,323,501	42,623	125,608	357,722	13,761,513
At deemed cost based on valuation in 1993	805,000	—	—	—	—	805,000
At deemed cost based on valuation in 1996	200,000	—	—	—	—	200,000
At cost	4,907,059	7,323,501	42,623	125,608	357,722	12,756,513
	5,912,059	7,323,501	42,623	125,608	357,722	13,761,513
<b>Depreciation</b>						
At 1 January 2021	—	7,442,648	—	459,662	358,174	8,260,484
Charge for the year	—	183,541	—	45,788	30,038	259,367
Transferred to programme related investments (note 15)	—	(4,583,656)	—	—	—	(4,583,656)
On disposals and eliminations	—	(184,898)	—	(437,921)	(79,145)	(701,964)
At 31 December 2021	—	2,857,635	—	67,529	309,067	3,234,231
<b>Net book values</b>						
At 31 December 2021	5,912,059	4,465,866	42,623	58,079	48,655	10,527,282
At 31 December 2020	5,912,059	8,942,434	128,596	265,964	42,291	15,291,344



#### 14 Tangible fixed assets (continued)

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 and depreciation of £144,178 held under finance leases was donated to Marillac Neurological Care Centre at midnight on 31 March 2021 when it became an independent charity.

#### **Capital commitments**

At 31 December 2021 the Charity had no capital commitments (2020 - £nil).

#### 15 Investments

	2021 £	2020 £
Investment land	3,000,000	3,000,000
Listed investments	33,439,906	33,169,819
Foreign exchange contracts	89,125	90,462
Programme Related Investments	4,298,510	1,264,322
	<b>40,827,541</b>	<b>37,524,603</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 to £3 million in 2019 to reflect its value on the open market as estimated by an independent valuer. This value does not include any premium for development value. The Trustees are of the opinion that there had been no change in the market value of the land as at 31 December 2021.

## 15 Investments (continued)

### Listed investments

	2021 £	2020 £
<b>Listed investments</b>		
Market value at 1 January 2021	32,212,705	28,852,342
Additions	11,069,861	9,011,612
Disposals at opening book value (proceeds £13,570,138, gains £323,042)	(13,247,096)	(8,459,792)
Net gains on revaluation	2,241,958	2,808,543
Market value at 31 December 2021	32,277,428	32,212,705
Cash held by investment managers	1,162,478	957,114
	<b>33,439,906</b>	<b>33,169,819</b>
Cost of listed investments at 31 December 2021	<b>27,362,902</b>	<b>27,470,042</b>

In addition, during the year, the investment manager carried out some trades in derivatives and the resulting realised and unrealised losses amounted to £8,461 (2020 gains - £317,608).

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
. Government Bonds	2,139,857	2,884,585
. Non-Government Bonds	1,435,517	2,540,817
. UK Equities and Equity Trusts	5,453,832	5,296,545
. Global Equities	15,633,372	17,049,694
. UK Property and Unit Trusts	1,075,564	967,003
. Alternative Investments	4,041,496	3,474,061
. Liquid Assets	2,497,790	—
	<b>32,277,428</b>	<b>32,212,705</b>

At 31 December 2021 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:

	2021		2020	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
Sarasin Responsible Corp Bond Inc	1,435,517	4.45%	2,540,817	7.89%
ICS-Sterling Liquidity Fund - Acc	2,497,790	7.74%	—	—

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

## 15 Investments (continued)

### *Listed investments (continued)*

Gains on foreign exchange contracts for the year ended 31 December 2021 consisted of the following:

	2021 £	2020 £
<b>Foreign exchange contracts</b>		
Fair value loss on settlement (settled cost: £3,641; market value: £nil)	(3,641)	(261,060)
Fair value gain on unsettled contracts (unsettled cost: £5,731,190; market value: £5,642,066)	89,124	90,461
<b>Total gains (losses) on foreign exchange contracts</b>	<b>85,483</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.

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*

	2021 £	2020 £
Carrying value at 1 January 2021	1,264,323	1,322,422
Transfer from tangible fixed assets at net book value (note 14)	3,918,858	—
Disposals in year	(884,671)	(58,099)
Carrying value at 31 December 2021	<b>4,298,510</b>	<b>1,264,323</b>

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.

## 15 Investments (continued)

In 2021 these four properties were sold to St Joseph's Services, Rosewell. This sale was 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.

With effect midnight on 31 March 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.

With effect from midnight on 31 March 2021, the activities carried out by the Marillac were transferred to Marillac Neurological Care Centre, (Charity Registration No. 118,4495) and a company limited by guarantee (Company Registration No. 12085591). At that date a property owned by the Charity but occupied by Marillac Neurological Care Centre, 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.

## 16 Debtors

	2021 £	2020 £
Residential and care home fees	7,176	564,236
Prepayments and accrued income	80,886	161,307
Loan to St Joseph's Services (note 24)	463,100	—
Other debtors	3,990	16,721
	<b>555,152</b>	<b>742,264</b>

## 17a Creditors: amounts falling due within one year

	2021 £	2020 £
Residential, care and support establishment fees in advance	—	22,400
Redress Scotland	1,976,000	—
Expense creditors	51,917	146,690
Social security and other taxes	27,506	101,342
Other creditors	18,670	19,500
Monies administered by the Charity on behalf of individual members of the Daughters of Charity of St Vincent de Paul	61,249	70,868
Money held on behalf of the Ethiopian Province of the Daughters of Charity of St Vincent de Paul	90,767	86,890
Grant payable to St Vincent's Family Project (note 24)	40,000	40,000
Grant payable to Out There (note 24)	—	66,000
Accruals	22,800	80,304
Finance lease obligations (note 26)	—	45,540
	<b>2,288,909</b>	<b>679,534</b>

**17a Creditors: amounts falling due within one year** (continued)

During the year, the trustees committed to contribute £10,000,000 to Redress Scotland from 2021 to 2026 inclusive. A liability has been recognised, within creditors falling due within one year and provision for liabilities (note 7) discounted to present value using a discount rate of 5% per annum, the expected average yield from investments earned by the Charity. The liability at 31 December 2021 represents contributions which the trustees have committed to paying in the years 2022 to 2026. The notional interest will be debited to the statement of financial activities as the discount is “unwound”.

The contributions payable are as follows:

	Discounted amounts		Gross amounts	
	2021 £	2020 £	2021 £	2020 £
Creditor due within one year	1,976,000	—	2,000,000	—
Provision for liabilities	5,942,000	—	7,000,000	—
	<b>7,918,000</b>	<b>—</b>	<b>9,000,000</b>	<b>—</b>

The movement in liability for the contributions is as follows:

	2021 £	2020 £
Total contributions payable at 1 January 2021	—	—
Contributions committed during the year	8,918,000	—
Contributions paid during the year	(1,000,000)	—
Total contributions payable at 31 December 2021	<b>7,918,000</b>	<b>—</b>

**17b Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Grant payable to St Vincent's Family Project (note 24)	40,000	80,000
Finance lease obligations (note 26)	—	36,116
	<b>40,000</b>	<b>116,116</b>

**18 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 2021 £	Movement in year £	At 31 December 2021 £	At 1 January 2020 £	Movement in year £	At 31 December 2020 £
Salisbury fund	254,175	—	254,175	254,175	—	254,175
Wigmore Street Trust fund	—	—	—	194,816	(194,816)	—
	<b>254,175</b>	<b>—</b>	<b>254,175</b>	<b>448,991</b>	<b>(194,816)</b>	<b>254,175</b>

# **18 Permanent endowment funds (continued)**

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 2020 the balances on the fund were transferred to unrestricted income funds.

# **19 Restricted funds**

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

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Mission funds					
. Ethiopian	324,885	125,620	(133,740)	824	317,589
. Other mission funds	7,163	40,354	(44,685)	(824)	2,008
Other restricted funds	32,160	99,698	(131,858)	—	—
	<b>364,208</b>	<b>265,672</b>	<b>(310,283)</b>	<b>—</b>	<b>319,597</b>

	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>

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.

## 19 Restricted funds (continued)

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

## 20 Tangible fixed asset fund

	At 1 January 2021 £	Movements in year £	At 31 December 2021 £	At 1 January 2020 £	Movements in year £	At 31 December 2020 £
Tangible fixed assets fund	10,771,361	(244,079)	10,527,282	11,833,803	(1,062,442)	10,771,361

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.

## 21 Programme related investments fund

Group and charity	At 1 January 2021 £	Movement in year £	At 31 December 2021 £	At 1 January 2020 £	Movement in year £	At 31 December 2020 £
St Joseph's Services property	884,670	(884,670)	—	942,771	(58,101)	884,670
Marillac Neurological Care Services	—	3,918,858	3,918,858	—	—	—
The Louise Project Limited property	379,652	—	379,652	379,652	—	379,652
	1,264,322	3,034,188	4,298,510	1,322,423	(58,101)	1,264,322

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, The Louise Project Limited and Marillac Neurological Care Centre at a reduced rent but used for purposes consistent with the charitable objectives of the Charity.

## 22 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 2021 £	New designations £	Utilised/ released £	At 31 December 2021 £
Sisters' care and retirement fund	21,890,000	—	(1,190,000)	20,700,000
Residential care and support services fund	5,293,415	—	(5,293,415)	—
Development fund	2,000,000	—	(1,000,000)	1,000,000
Project fund	2,171,491	195,427	—	2,366,918
	31,354,906	195,427	(7,483,415)	24,066,918

**22 Designated funds (continued)**

	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>

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.

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

This fund represented 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.

**23 Analysis of net assets between funds**

	Tangible fixed assets £	Investments £	Net current assets £	Long term creditors and provisions £	At 31 December 2021 Total net assets £
<b>Capital funds</b>					
Endowment funds	—	—	254,175	—	254,175
<b>Income funds</b>					
Restricted funds			319,597		319,597
Unrestricted funds					
. Tangible fixed assets fund	10,527,282	—	—	—	10,527,282
. Programme related investments fund	—	4,298,510	—	—	4,298,510
. Designated funds	—	24,066,918	—	—	24,066,918
. General fund	—	12,462,113	90,621	(5,982,000)	6,570,734
	<b>10,527,282</b>	<b>40,827,541</b>	<b>664,393</b>	<b>(5,982,000)</b>	<b>46,037,216</b>



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

	Tangible fixed assets £	Investments £	Net current assets £	Long term creditors and provisions £	At 31 December 2020 Total net assets £
<i>Capital funds</i>					
Endowment funds	—	—	254,175	—	254,175
<i>Income funds</i>					
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
	<u>15,291,344</u>	<u>37,524,603</u>	<u>3,336,611</u>	<u>(116,116)</u>	<u>56,036,442</u>

The total unrealised gains as at 31 December 2021 constitute movements on revaluation and are as follows:

	2021 £	2020 £
Unrealised gains include above on:		
On listed investments	<u>4,914,528</u>	<u>4,742,663</u>
Reconciliation of movements in unrealised gains:		
At 1 January 2021	<u>4,742,663</u>	2,205,049
In respect to disposals in the year	<u>(2,070,092)</u>	(270,927)
Net gains arising on revaluation	<u>2,241,957</u>	2,808,541
At 31 December 2021	<u>4,914,528</u>	<u>4,742,663</u>

## 24 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 (2020 – £140,364) 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.

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

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 (Charity Registration No 1112473, Company Registration No 05321333) by virtue of the fact that Vincentian Care Plus was initiated by the Congregation and the fact that three of the Trustees of Vincentian Care Plus who served during the year were Daughters of Charity of St Vincent de Paul.

During the year the Charitable Trust received £20,000 from Vincentian Care Plus (2020 - £80,000) 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.

- ◆ 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. At 31 December 2021 the maximum remaining grant payable to Out There was £66,000 (2020 - £66,000). However, as this grant was no longer required, the Charitable Trust has credited back to expenditure on donations and grants in the statement of financial activities.

During the year the Charitable Trust paid Out There £3,000 in return for the hire of a room.

- ◆ 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 (2020 - £5,000) to the Vincentian Volunteers.

- ◆ 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.

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

In March 2021 four properties were sold to St Joseph's Services, Rosewell. This sale was 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 amounted to £1,000,000. £500,000 was settled by St Joseph's Services as a bank transaction and a loan of £500,000 repayable over a 10 year period, with interest of 1% above the bank of England base rate was advanced by the Charity. £463,100 of this loan was outstanding at 31 December 2021 (2020 - £nil).

Included in programme related investment income is £2,070 (2020 - £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 £13,750 (2020 - £15,000) being rent of the property occupied by The Louise Project and paid to the Charitable Trust.

A donation of £2,850 was made to The Louise Project by the Charitable Trust during the year (2020 - none).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Marillac Neurological Care Centre (Charity Registration No 1184495 (England and Wales), Company Registration No 12085591 (England and Wales)) by virtue of the fact MNCC was initiated by the Congregation. MNCC became an independent charitable company on 4 July 2019. Two Sisters who sit on the Board of the company are Daughters of Charity of St Vincent de Paul. Assets and liabilities relating to MNCC were transferred to the independent charitable company on 31 March 2021 and a donation of £600,000 was also made during the year. Further detail is given in note 10.

Included in programme related investment income is £54,000 (2020 - £nil) being rent of the property occupied by MNCC and paid to the Charitable Trust.

During the period 1 April to 31 December 2021, the Charitable Trust paid MNCC:

- £8,330 in relation to the community at Warley and £16,665 in relation to the Seton Care Unit at Warley (a unit specifically for the care of older Sisters) in respect of a rental charge for the use of the land and buildings.
- £12,500 in relation to the community at Warley and £20,000 in relation to the Seton Care Unit at Warley in recognition of the provision of catering facilities.
- a grant of £4,986 in relation to centenary artwork.

## 25 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.

## 26 Leasing commitments

### *Operating leases*

At 31 December 2021, the Charity had the following future minimum commitments under non-cancellable operating leases in respect to equipment and motor vehicles:

Amounts falling due:	2021 £	2020 £
. Within one year	—	65,209
. After one but within five years	—	167,166
<b>Total</b>	<b>—</b>	<b>232,375</b>

### *Finance leases*

At 31 December 2021, the charity had the following future minimum commitments under finance leases in respect to furniture and equipment:

Amounts falling due:	2021 £	2020 £
. Within one year	—	56,621
. After one but within five years	—	43,185
	—	99,806
Amounts representing interest	—	(18,150)
<b>Total</b>	<b>—</b>	<b>81,656</b>
Summary		
Amounts repayable within one year (note 17a)	—	45,540
Amounts repayable after one year (note 17b)	—	36,116
	—	81,656

**27 Contingent liability in respect to alleged historic abuse**

As detailed in note 7, the Daughters of Charity of St Vincent de Paul has contributed towards the funding of Redress Scotland, which has been established by Scottish Ministers to fund compensation payments to those who suffered historic abuse.

In addition to the contributions to Redress 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 2021, nine claims were 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. One claim has so far been settled without litigation in 2022. No provision has been made in these accounts for the future settlement or cost relating to other intimated claims given the inevitable uncertainties that exist whilst investigations are progressed.