

Faithful Companions of Jesus

Trustees' report and accounts

31 December 2021

Charity Registration Number

239285 (England and Wales)

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Reference and administrative information

Trustees	Sister Patricia Mary Binchy Sister Mary Ruth Casey Sister Mary Teresa Fitzpatrick Sister Bonita Marie Moser Sister Judith Ellen Routier
General Superior (Chair of Trustees)	Sister Bonita Marie Moser
General Bursar	Sister Mary Fitzpatrick
Principal office	FCJ Generalate, Gumley House Convent 251 Twickenham Road Isleworth Middlesex TW7 6DN
Charity registration number	239285
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Adviser	David Clark FCA 1 st Floor Church House 61 College Road Bromley BR1 3QG
Principal bankers	The Royal Bank of Scotland plc London City Office PO Box 412 62/63 Threadneedle Street London EC2R 8LA
Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Reference and administrative information

Investment managers	UBS Wealth Management (UK) Limited 3 Finsbury Avenue London EC2M 2AN
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The trustees present the report and accounts of the Faithful Companions of Jesus (the "charity") for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 36 to 42 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The charity forms part of the international Roman Catholic Apostolic Religious Congregation of women founded in France by the Venerable Marie Madeleine d'Houët in 1820. The Congregation, named Faithful Companions of Jesus (FCJ), is referred to in this document as "the Society". The Generalate is located at Gumley House in Isleworth, West London. The assets of the Society in England and Wales are held on a Charitable Trust (the charity) to support such charitable purposes as shall advance the religious and other charitable work of the members of the Society, whether their ministry is carried out in the United Kingdom or in one of the other sixteen countries where they labour, including France, Romania, Italy, the Philippines, and Indonesia.

The accounts which accompany this report are those of the Charitable Trust which holds the assets of the Society in England and Wales, and which is registered with the Charity Commission, Charity Registration Number 239285.

Mission and objectives of the charity

The charity is wholeheartedly dedicated to the mission of the Society and is committed unreservedly to its charitable objectives which are twofold:

- ◆ To provide for the sisters, both active and retired, whether by supporting their daily needs, their ongoing formation, the care of the sick and elderly or by funding their apostolic ministry, be that in education, social or pastoral work; and
- ◆ To provide grants, donations and support to overseas missionary work and provinces, including support of educational institutions and other organisations which assist the charity achieve its objectives.

The 2019 General Chapter degree, entitled, 'Widening the Circle of Love', continues to be the blueprint which guides the General Superior in her leadership of the Society. Its themes remain so relevant in generating the charity's response to the needs of humanity today, as can be gleaned from the quotations cited here below.

"We continue to widen our circle of love to embrace all people, especially those who experience exclusion, exploitation and injustice, in particular we offer our compassionate action to migrants, refugees and asylum seekers, trafficked persons, the economically vulnerable and vulnerable women and children". GC 2019 Call 2

"Concerns around the care of our Common Home are of great urgency and we cannot delay addressing them. We judge them to be matters of deep justice" . . .

"We want to help each other to reflect constantly on how our lifestyle decisions, small or large, affect the earth and the poorest peoples of the Earth". GC 2019 Call 3

Mission and objectives of the charity (continued)

Support of members and their ministry and their apostolic, social, and pastoral work

As 2021 dawned with Delta, a new variant of the Covid-19 virus infecting a seven-day average of almost 58,000 people in the UK, it became clear that financial support for the members of the Society and their apostolic outreach, would once again, be driven in part, by coping with the virus. The two communities, supported by the charity, which care for our elderly sisters, one at Kersal Hill, in Salford and the other in the Republic of Ireland at Maryville, Limerick City, have remained mostly Covid-19-free due to the remarkable care and caution exercised by managers and staff and the additional support of charity finances.

The charity continued to provide for the daily needs of the active members of the Society, their formation, and their apostolic outreach. Those studying for post-graduate degrees were relieved when some of their lectures were held in person. In the autumn, short sabbatical breaks, postponed in 2020 became available and happily a few sisters were able to enrol. The changing circumstances for work during 2020 had prepared sisters to cope with the challenges presented during the past year. Many welcomed the opportunity to use their creative skills to serve the public.

From the wider perspective of mission, the General Superior, aided by technology, carried out her canonical duties, and for the second successive year travel costs were minimised.

FCJ Spirituality Centre, Somers Town London: One of the team members writes: 2021 has been an exceptional year for the FCJ Spirituality Centre because of periods of lockdown due to the Covid-19. When it was possible to welcome people into the Centre, we found that many were reticent to come so our intake was lower than usual. We put considerable safety measures in place to ensure that we maintain as safe an environment as we can, for those who attend events on our programme or who use our rooms for their own gatherings.

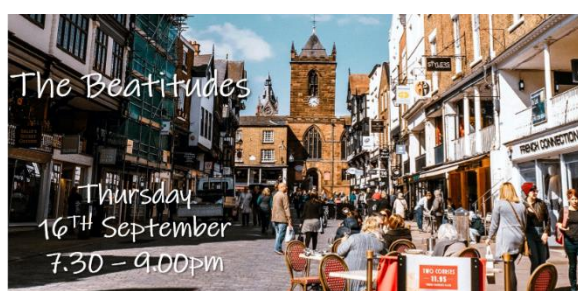
Whilst our 'in person' programme has been limited during 2021, we developed a successful monthly evening reflection on Zoom. Our 'in person' programme includes outreach to the wider community through 'Our Neighbours in Faith' where we meet and learn from other faith traditions in our neighbourhood. We are concerned to relate our spirituality to the reality of life. For example, our Christmas message on Facebook referred to children of homeless families.



Mission and objectives of the charity (continued)

Support of members and their ministry and their apostolic, social, and pastoral work (continued)

Messages of gratitude for the welcome and facilities offered to participants are often received. Mostly these are verbal, and we do not necessarily keep emails of gratitude on file. However, on 1 February 2022, we received an email message from a group secretary (care for adults with learning disabilities) who has made another booking for April: "I was just speaking with xxx, who is one of the people attending our meeting on 7 April and is delighted that your meeting room is available as she says it's such a lovely venue." And, from another; "Thank you as always for your help and support and wishing you a positive day ahead in all



you do." Another person with disability expressed delight at the ease of access provided at the Centre. A final word from a former journalist, probation officer and, presently, a consultant in corporate communication; "My experience of spiritual guidance from the FCJ has been outstanding and I am exceedingly grateful for their support. In deepening

my faith, it has had a profound impact on my family and work life, producing long-lasting benefits that would otherwise have lain hidden."

The FCJ Centre St Hugh's, Wavertree, Liverpool has a varied outreach both online and holding in-person events and pastoral activities. The mission focus is threefold: Community, Young People and Faith Development.

Social Outreach opportunities are many. The Micah foodbank requested help during the



pandemic. The sisters linked with people whose financial resources could help support the foodbank. The help is being continued into 2022. St Hugh's involved young people, both past and current pupils from Bellerive FCJ Catholic College, in the St Vincent de Paul Christmas food hampers for families in need. St Hugh's also runs a community kitchen which aims to give sixth form students from Bellerive FCJ Catholic College an insight into food insecurity in the local area and an opportunity to engage practically in ministry outreach with the FCJ Community to young mums in the area. The project provides a space for coffee and conversation, a 'meal bag' per family per week and clothes and other second-hand items which the families need. Up to 35 families are served each week, most of these are Roma families

living in the local area and whose children attend St Hugh's Primary School.

Mission and objectives of the charity (continued)

Support of members and their ministry and their apostolic, social, and pastoral work (continued)

The St Hugh's team has worked with the students in each of the FCJ Schools in England over the course of the year 2021, coordinating the programme with the FCJ School Chaplains



which presents guidelines for workshops and assemblies on themes of Ecology, FCJ life and mission and vocation. A leadership programme and discernment programme were organised for Sixth Form students in both Bellerive FCJ Catholic College and Upton Hall FCJ. These were delivered

as part of the 6th Form enrichment or Personal, Social and Health Education (PSHE) programmes in the schools. The local St Hugh's Catholic Primary School availed of a series of collective worship activities for Years 4,5 and 6 offered at St Hugh's FCJ Centre. The activity was based on tolerance, respect, and anti-racism. A team member has links with a number of university chaplaincies, and in addition to retreat work, she gives input and workshops on topics such as leadership, decision making and sexuality.

Faith development sessions include an international online reading group, which can count up to fifty participants, and focuses on reading materials and books connected with social justice and eco-spirituality; Weeks of Guided Prayer – held both online and in person; twenty people completed the 19th Annotation Retreat; and a four-week discernment programme in which 25 people took part.



A number of the above projects work to develop community cohesion by bringing diverse groups together in a common project: elderly and young, wealthy, and financially struggling, diverse cultures etc. In addition, we are involved in two particular projects which foster dialogue and cohesion:

- ◆ Refugees at Home: St Hugh's supports a destitute asylum seeker by hosting through the organisation Refugees at Home. One young woman from Albania lived at St Hugh's from February 2019 to January 2021. Currently a woman from the Gambia is lodging at St Hugh's. Both of these women rely completely on the support of the FCJ community for all practical living expenses as they are unable to access any benefit at this stage in their claim process.
- ◆ Collaborative working with St Luke's in the City, a local Anglican project which is making provision for the Roma community. This project incorporates many other elements which contribute to building community more effectively.

Mission and objectives of the charity (continued)

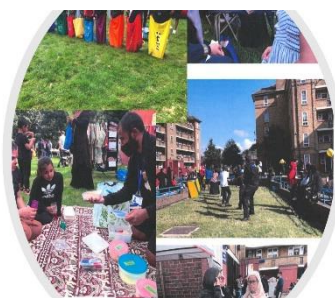
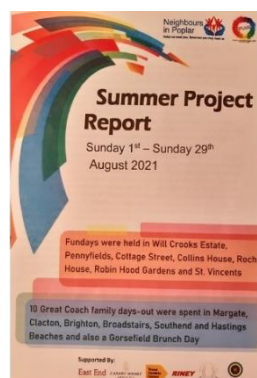
Support of members and their ministry and their apostolic, social, and pastoral work (continued)

As witnessed in the following stories, many FCJ communities in different parts of the Society continued to offer relief to those who continued to suffer the fallout of the pandemic during 2021.



FCJ Birkenhead: Here in Birkenhead, the FCJ community has long since been a collection point for clothes for the refugees sent to Syria through Mersey Aid. Through the pandemic shipment overseas was put on hold and Mersey Aid focussed their efforts on the homeless and needy around Merseyside. Clothes kept pouring in from parishioners and contacts. A great supply of men's overcoats was welcomed by Liverpool's homeless. Then some refugee families were housed in Birkenhead and in addition to clothing, we managed to get beds and bedding for them. MerseyAid and parishioners provided nappies and toys, while a member of the community knitted babies' caps for premature and new-born babies in the local hospital. It was a question of all hands-on-deck. Generous donations for Covid-19 relief, given to the St Philip Neri parish in Birkenhead and to the Wirral Hospice St John's, were greatly appreciated and together with contributions from many families in the parish, a number of homeless people and families on the margins were helped.

Neighbours in Poplar: The remarkable community service begun last year by Neighbours in Poplar (NiP) continued throughout 2021. On 1 September 2021, beginning its 18th month of cooking and delivering hot dinners, the 19,000th hot meal was delivered. In October 2021, Sister Christine Frost FCJ, was given the Tower Hamlets Freedom award at a ceremony in the Tower of London, recognising her more than five decades of work supporting vulnerable and isolated people.



Mission and objectives of the charity (continued)

Support of members and their ministry and their apostolic, social, and pastoral work (continued)

The charity also contributed to the summer project which offered fun days and family days-out during the month of August 2021.



Yogyakarta FCJ Community: When Indonesia was in the grip of the pandemic Covid-19, hospitals were full, and many patients died because of lack of help. A community member writes: "There were a few places in our city open for isolation for those who got

infected with mild symptoms. The FCJ community in Yogyakarta felt the call to be compassionate by responding to the invitation to help in one of those isolation places, called "Kampoeng Media Wisma". The coordinator of the project is Father Murti, SJ. We joined in serving the people as volunteers and worked together with Jesuits, sisters, and lay people. Since 20 July 2021, members of the community have been helping to prepare the food and herbal drinks to build up the immune systems of the patients. This mission was a moment for us where we experienced abundant blessings. We had time to extend our companionship with the other volunteers as we worked together and there was an unspeakable joy when we heard the patients were back to their health and were safe to be with their families".

Manila, Philippines: On 14 August 2021, a talk on the topic of Mental Health was given to the mothers from the FCJ Learning and Development Centre. It was an online session facilitated by Sister Salvacion Sodusta FCJ, via zoom. The mothers found the session helpful, especially in this time of pandemic. Most of them are the ones holding their family together. The discussion was lively and participative. The discussion is based on two questions: how do we know if we have a good mental health? And how to manage a good mental health? It highlighted the importance of self-care, which is a healthy thing to do, and it is not self-centredness. The mothers were also presented with case studies, and they had to answer if the situation is in the range of mental health or mental illness. The sessions ended with good vibes, knowing that having good mental health is equal to having peace of mind.

Mission and objectives of the charity (continued)

Support of members and their ministry and their apostolic, social, and pastoral work (continued)

The Covid-19 relief money of 2021 given to the Society's student hostel in Turin was much appreciated and used to help students cover the costs of their accommodation. The sister in charge of the hostel wrote: "Students who had left before lockdown had to pay the monthly rent to keep their rooms occupied. Unable to earn any money with hospitality closed down, many students were unable to pay the full monthly rent. Most students benefited from a strong reduction. One student did not pay for anything. The nine who remained also needed financial support to pay their rent. What remained of the Covid-19 relief money was used to cover the costs of internet, gas, electricity, taxes: IMU and Tax Waste. In this way, the various expenses were covered, and we were able to keep the hostel open. The students who remained in the hostel during lockdown are very grateful for our support. In fact, in Turin several student hostels had closed, creating great inconvenience. Not only were our students grateful for the service, personally, I greatly appreciate what our Society has done and if the words do not always express the idea well it was a great and very generous gesture. Thank you".



One final account of how the Covid-19 relief money helped the children at St Mary's Orphanage in Bucharest run by Sister Maria Fodoca and Ioana Anghel. Sister Maira writes: "Thank you for your help in the midst of the pandemic time. With the money we managed to pay for a cook for two months who prepared food for the children in the orphanage. We received €2,000 which converted to 9600 lei. We paid a cook for two months at a gross monthly salary of 4440 lei / month (net salary 2,600 lei). The rest we spent on food. Many thanks. Maria Fodoca, lun., 7 iun. 2021".

Grants, donations and support of overseas missionary work and provinces, including support of educational institutions

The annual planned expenditure for the areas was approved by the trustees in early January 2021. The charity provides full financial support to house and maintain the sisters who, living and working among people on the margins of society, receive little or no income. In addition, the charity provides grants and donations for their missionary work. The charity also receives donations for some projects undertaken by the sisters, such as assistance with faith and human development programmes, scholarships, and bursaries for secondary, vocational and third level education, work with street children, work with refugees and anti-trafficking awareness programmes in Belgium and Romania. The following paragraphs give a sense of how the lives of those who benefit from the charity's money have been improved and enhanced.

Mission and objectives of the charity (continued)

Grants, donations and support of overseas missionary work and provinces, including support of educational institutions (continued)

Solidarity with Sudan, founded in 2008, was renamed Solidarity with South Sudan in 2011 following the referendum for an independent South Sudan. A collaborative commitment of religious institutes offering aid in many forms, Solidarity aims to create self-sustainable educational, health and pastoral institutions and programs that will help to build a just society in South Sudan. Religious congregations along with lay workers collaborate towards training teachers, nurses, midwives, local farmers, and community leaders in

the youngest country in the world. Since 2008, FCJ sisters have lived with the Sudanese people and taught in teacher training colleges with remarkable success. Since 2013, more than 500 teachers have graduated, most of whom have been employed. The charity is committed to making a substantial financial contribution each year.



The FCJ community in Barangay South Triangle, Metro Manila, Philippines, helped by the charity's donations, supported poor communities in the area in the following ways:

- ◆ A long period of community quarantine starting in March 2021 meant that many lost their jobs or were unable to work and were not able to supply their families' basic needs. Since March, we distributed several thousand kilos of rice, and sometimes tinned goods, milk, or small amounts of cash, to the homeless and families in need.
- ◆ Financial support was given to several persons who were sick in their houses or in the orthopaedic hospital. One of the sisters accompanied them and provided emotional and other support.
- ◆ Seven vendors, some of whom were seniors or persons with disabilities, were supported in income-generating projects. The goods they sold included sampaguita, boiled root crops, balut, fruits, clothing, breakfast items, and cooked rice.

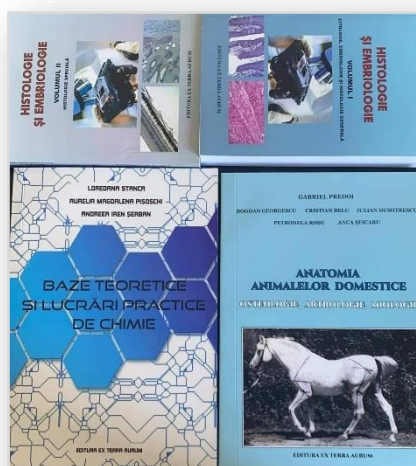


College scholarships continued to be offered to fourteen students - six in their 3rd year, seven in their 2nd year and one in her 1st year. As the students' classes moved online because of Covid-19 restrictions, six chose to use their scholarship funds for new laptops.

Mission and objectives of the charity (continued)

Grants, donations and support of overseas missionary work and provinces, including support of educational institutions (continued)

Once the FCJ Learning and Development Centre, which serves needy families in Barangays Bagong Silangan and Payatas, Metro Manila, was able to re-open on 2 June 2021, the strict Covid-19 regulations regarding the number of people who could be in a room at one time, social distancing, disinfecting, hand sanitizing etc. were observed. Initially the team met with the community leaders and listened to their experience. With them the families most in need were identified. Visits were made, in some cases counselling was given to those suffering from stress, and the people were encouraged to identify how they could move forward now and what support they needed. 33 people produced a simple plan to set up a small business to generate income for their families and starter capital was given.



In Romania, the sisters are very grateful to receive donation money from the FCJ Society. One way in which this money is used is to support a number of intelligent students whose families are experiencing financial difficulties. Students are often recommended by their parish priest or head teacher. One example is Lorena Ciobotaru who is studying to be a vet in Bucharest. She is from a village in Moldova and sent a picture of the books she bought with her first monthly bursary.

Lorena wrote: "I would like you to know how much I appreciate what you give me. I am the third daughter in my family to go to university and there are many expenses for transport,

food, and accommodation. I use the monthly bursary to pay for transport, books, and other university needs."

In Galați, on the Danube near the Black Sea, donations received have been used to supplement family food provisions and to help supply children's' educational needs.

During 2021, plans to reorganise the Society's property in the 13th Arrondissement of Paris have advanced and thus the Society clarified its needs and the needs of the school. This paved the way to enable the final tranche of bicentenary funds for the secondary school to be drawn down in early 2022. The funds are being used to add an additional floor to the Lycée building.

Principal activities, review of the year and developments

The charity's largest financial outlays during 2021 supported the following:

- ◆ development of Katherine House, Salford, UK as a centre for independent living for members of the Society;
- ◆ construction of a sports hall for FCJ Convent School in Bunclody, Republic of Ireland;
- ◆ refurbishment of the sash windows at Gumley House;
- ◆ closer collaboration with Medaille Trust; and
- ◆ grants for projects in Canada.



In August 2020, Katherine House ceased to operate as a Spirituality Centre. After some deliberation, it was decided to develop this Victorian property, for residential accommodation for FCJ sisters. This will not only allow sisters the opportunity of independent living but will offer the possibility to companion with the elderly sisters who are cared for at the adjacent property, Kersal Hill.

In November 2020, Gerald Eve LLP, Manchester Office, was appointed to manage the project. A key goal is to complete the project in an environmentally sustainable way, while maintaining the artistic features of the property. The plan is to have eight ensuite bedrooms, with communal kitchen and dining facilities. Various special requirements have been planned for in the project, including use of solar panels and good ecological

materials, wheelchair access, lift installation, maximum window light, and wall socket positioning to name but a few. The garden area will also be revamped to allow ease of access for residents, provide pleasant seating areas, and a safe access route to the nearby Kersal Hill FCJ Community.

During 2021 in spite of Covid, good progress has been made on the project. In the early part of the year various site inspections and surveys, were carried out and completed.



Principal activities, review of the year and developments (continued)

A four-phase approach was recommended by Gerald Eve, to manage and progress the project. This consisted of:

- ◆ Phase 1 – Pre - Feasibility Study;
- ◆ Phase 2 - Full Feasibility Study; and
- ◆ Phase 3 - Detailed Design & Planning.



All 3 Phases were completed before year end, with the planning application submitted to Salford City Council in December 2021.

It is envisaged that subject to a successful planning application, phase 4 - Tender and Implementation will begin in March 2022. Current estimates from Gerald Eve, indicate that the total overall cost of the project will be approximately £1.8m. This figure also includes some minor renovations to the bungalow at 24 Singleton Road, which will be included in the tender document.



In June 2021, the final grant instalment of £400k (total grant £1m), was paid to FCJ Secondary School Buncloody. The funds were used to develop a state-of-the-art gymnasium/sports hall and artificial grass pitches. The construct, a complete entity is known as a Sprung structure, as opposed to a traditional block build. This type of construction ensures a very high level of environmental sustainability. An additional benefit of choosing this structure, is the speed at which the construction can take place. In this instance, building and installation on campus taking only eight weeks during July and August, following delivery from Canada.

This superb facility provides the school with recreational, sporting, and physical education opportunities. On a daily basis, the facilities are directly accessible to the 1,100 students and staff, as well as the local primary school and sports clubs. It also allows pupils, staff, and parents to gather as a collective school body for various school events and assemblies.



Principal activities, review of the year and developments (continued)

The school ethos to create positive relationships with the wider local community is a key element of this project. This complex is the only sports hall of its size in the area and provides



a wonderful indoor facility for the local sports clubs, community groups, and associations. It also reflects the impact of the generous nature of the FCJ sisters on the community of Bunclody and its environs, a sentiment that has been echoed for generations.

The General Chapter 2019 decree concerning 'care for our Common Home' which has already been quoted at the beginning of this report, inspired many communities and Area Leaders to address some of these issues when putting together their planned expenditure for 2021. At Gumley House in west London a substantial sum of money was set aside to complete the refurbishment of the sash windows. Scaffolding was assembled in September and the works were just about completed by Christmas. Community members have expressed gratitude for near-draught-free windows and easier-to-heat bedrooms in this grade II listed building.



Earlier in the year, the trustees decided to strengthen the charity's collaboration with and support for the Medaille Trust, a charity which takes care of many victims of modern-day slavery. Since 2014, a property belonging to the charity has been used by the Trust under a Management Agreement. In August 2021, the charity signed a seven-year lease with the Medaille Trust, thus securing a more secure future for the Trust in its use of the property. An FCJ trustee became a trustee for Medaille Trust in May 2021. Regular meetings between the FCJ trustees, the Medaille Trust CEO and property committee take place. The trustees also decided to support Medaille Trust by financing the extensive refurbishment of the property. The Medaille Trust finance issues related to their programme, such as health and safety, security, maintenance and so forth. During a site visit on 8 December 2021 plans for stage I priority works were discussed and later agreed. The work began in January 2022.

Principal activities, review of the year and developments (continued)

During the June 2021 consultative meeting, when the General Superior and her Assistants met with the Area Leaders, stage II of the Bicentenary Grants was discussed, and the following criteria established.

- ◆ FCJ Centres – Spirituality, Refugees, Learning and Development;
- ◆ Chaplaincies in educational establishments with FCJ connections; and
- ◆ Bursaries for women studying courses relevant to our Chapter Calls 2019 e.g. eco-spirituality.

Towards the end of the year, the Area Leader of the Americas requested grants to support projects in keeping with these criteria and just under CAD 250,000 was granted in support of this request.

Governance issues

The principal governance issues which preoccupied the trustees during 2021 were the following:

- ◆ Planning for the transfer from the Charitable Trust to a Charitable Incorporated Organisation (CIO)
- ◆ IT security
- ◆ Risk assessment
- ◆ Revision of the Chart of Accounts and Sage training

The trustees, having sought professional advice from their lawyers and auditor and having researched widely, including reading and conversations with other Religious Congregations who have chosen the Charitable Incorporated Organisation (CIO) as their civil entity, decided unanimously at a meeting in June 2021 to replace the current FCJ charitable trust by a CIO. 31 December 2022 was set as a reasonable target date to complete the preparations so as to be ready for transfer to the CIO on 1 January 2023. The General Bursar and the Head of Finance were given the responsibility to lead the process.

The trustees directed their IT providers to implement the roadmap towards cyber essentials certification. During the year MFA, Barracuda, and other security measures, including upgrading the server firewall, were added to ward off cybercrime. In addition, the services of the IT provider were engaged for other major finance offices in the UK and on Mainland Europe in order to enhance their IT security. The General Superior, aware that the Society's presence in the digital world has become so much more evident and relevant in recent years, appointed Sister Audrey Wong FCJ, to be Coordinator of FCJ digital platforms. Audrey will develop a vision and a strategy for FCJ engagement with the digital world and explore possibilities for skills training.

The General Bursar completed her review of the charity's risk assessment process and presented it to the Area Leaders at the Consultative Meeting in June 2021. A trial run engaged a local community to test the process and the services of A20 Consultants were engaged to provide score sheets for each Area.

Governance issues (continued)

Since 2019, the General Bursar and the Head of Finance and Business Administration have collaborated with a working party of Bursars and Sage users to revise the chart of accounts. When the final draft was presented to the Local Leaders and Local Bursars, many appreciated its simplicity and usefulness. The trustees welcomed the new chart of accounts. The target date for 'going live' on 1 January 2022, was reached and training was provided to all users of Sage by CentrePoint Software, part of the GCC Group.

Plans for the future

The following are planned:

- ♦ To complete the transfer to the CIO;
- ♦ To complete the refurbishment of Katherine House;
- ♦ To continue collaborating with the Medaille Trust;
- ♦ To continue to support the sisters and their apostolic mission; and
- ♦ To progress the distribution of the Bicentenary grants.

Financial review

Results for the year

The ownership of temporal goods and the administration of the use of them are only a means to the end which the Society seeks – 'the greater services and glory of God' and the 'greater universal good' of God's people.

A summary of the year's results can be found on page 32 of the attached accounts.

Income for the year was £3,630,611 (2020 - £3,477,448). £1,208,398 (2020 - £1,293,415) was received from donations and legacies, which included £1,169,316 (2020 - £1,271,512) received from members' salaries and pensions donations.

Other charitable income, which represents services provided in FCJ's various communities, amounted to £17,103 (2020 - £13,623) and investment income amounted to £2,193,572 (2020 - £1,914,533).

Income from other sources amounted to £211,538 (2020 - £38,973) which consisted mainly of £180,000 relating to an uplift payment received from Castle Homes SPV 4 Limited with respect to a Deed of Uplift dated 21 March 2018 on land in Broadstairs which was sold on 2 March 2018 (2020 - £nil).

Expenditure totalled £3,032,581 (2020 - £1,904,930). The cost of raising funds, comprising investment managers fees, totalled £297,949 (2020 - £218,343). Expenditure on support of members of their ministry and their apostolic, social, and pastoral work amounted to £1,819,258 (2020 - £1,814,983).

Expenditure on grants, donations and support of overseas missionary work and provinces, including support of education institutions and other organisations amounted to £915,374 (2020 - £824,592) which included Bicentenary grants.

Financial review (continued)

Results for the year (continued)

During the year to prior year i.e. the year to 31 December 2020, it was agreed that the remainder of the Bicentenary grant awarded to the St Philomena School, Portsmouth, Rhode Island in 2019 totalling £952,988 would not be paid over and as a consequence, the grant was written back to expenditure in 2020.

Net income in 2021 before other gains, therefore, was £598,030 (2020 - £1,357,614). Net other gains amounted to £10,032,366 (2020 - £4,065,523) which included net gains on investments of £11,769,287 (2020 - £2,494,988) and net foreign exchange losses of £1,736,921 (2020 – net foreign exchange gains of £570,535). The net increase in funds for the year was therefore £10,630,396 (2020 - £5,423,137).

Going forward, we are expecting pension and salary income to decrease because of the increasing age profile of sisters and the reduction in membership numbers. Linked to this, the need to employ more lay people to carry out the work formerly carried out by the sisters, and the increased costs of looking after elderly and sick sisters will also increase costs. These two factors will result in increased costs for the charity at the same time as it faces diminishing income. This means that a sound capital base and the management of this continues to be crucial as we look into the future.

Reserves policy and financial position

For the most part, the resources of the Society have been built up due to the fact that in the past the majority of sisters held teaching positions and earned good salaries, all of which were covenanted to the charity. When a salary or stipend was received, this was donated to the charity because all sisters have made a vow of poverty. The income contributed largely to the sisters being able to purchase property for their apostolic works.

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of free reserves should approximate to between 12- and 36-months' expenditure. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies, including Covid-19, whilst specific action plans are implemented.

At 31 December 2021, the charity's reserves stood at £112,811,077 (2020 - £102,180,681). The balance on the charity's free reserves amounted to £51,473,216 (2020 - £43,631,914). The free reserves have been rising steadily over recent years primarily due to the net investment gains on the portfolio. However, these additions to reserves cannot be considered to be stable, and market conditions in 2022 and subsequent years could cause some or all of this gain to be reversed.

Financial review (continued)

Reserves policy and financial position (continued)

In addition, the charity's annual expenditure can vary significantly based on the quantum of donations and grants agreed by the trustees. Taking this into consideration the trustees consider the level of reserves to be an adequate but not excessive provision for the charity's needs on the basis that over the years the charity has become more reliant on its investment income and therefore maintaining a large enough capital base, particularly in times of low interest rates and unstable markets, is more important than ever.

The commitment to provide for the old age and care of members of the Society has profound implications for the finances of the charity. All members of the Society have taken vows of poverty which means that they have given all their rights to income and generally to assets in favour of the Society. As shown in the balance sheet, funds of £39,750,000 (2020 - £39,150,000) have been designated in respect to the charity's on-going commitment to provide for the care of the Society's members. The trustees estimate that a fund of at least this sum will be required to provide fully for the members across the world. The trustees will continue to keep the position and the level of funding for this purpose under review.

£11,534,553 (2020 - £12,105,480) has been designated for the development of the Society's educational works and the charity's other projects. These works and projects include the Bicentenary grants referred to earlier in this report, the growth and continued formation of the Society and its work in Asia, developing world mission generally as well as specific ad-hoc initiatives including educational projects. In addition, the trustees will continue to invite and consider funding other strategic projects consistent with the charity's goals of sustainable living.

£2,840,060 (2020 - £nil) has been set aside for the various building projects which are due to commence in 2022.

Furthermore, £5,717,285 (2020 - £5,797,324) of the total reserves is represented by tangible fixed assets and £1,495,963 (2020 - £1,495,963) is represented by programme related investments required for the continuing work of the charity and which could not therefore be realised without undermining its activities.

Investment performance

The charity has three portfolios of listed investments, one with UBS Wealth Management (UK) Limited, one with BNP Paribas Fortis and the other with CCLA Investment Management Limited. These had a combined market value at 31 December 2021 of £99,992,818 (2020 - £94,493,319). In addition, cash held by investment managers amounted to £5,388,250 (2020 - £2,191,375). The increase in value of investments reflects actual performance on all three portfolios in 2021.

During the year, the charity's income from listed investments was £2,142,939 (2020 - £1,839,828) and gains on disposal and revaluation of investments were £11,769,287 (2020 - gains of £2,494,988). The resultant average income yield was 2.2% (2020 - 2.0%) and the capital yield was 12.1% (2020 - 2.8%). The charity's income from bank deposit interest was £3,391 (2020 - £27,613).

Financial review (continued)

Investment performance (continued)

The trustees recognise that the charity holds substantial cash. The charitable work of the Society gives rise to a number of factors impacting on long term planning. As a consequence, the trustees believe that holding funds as cash held by investment managers is appropriate at the present time.

The investment managers have invested in accordance with the trustees' investment policy. Further details of the investment portfolio are included in note 10 to the attached accounts. The trustees continue to take a long-term view and believe their investment policy continues to be applied and remains appropriate.

Relevant policies

Protection of children and vulnerable adults

Like all other organisations who serve the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those whom the charity serves. They fully support work being done to make the Church and Society a safe environment for all. They are accountable to the newly established Catholic Standards Safeguarding Agency (CSSA) and are fully committed to implementing its standards and procedures. The Society has joined the Religious Life Safeguarding Service (RLSS) to which the trustees have pledged an annual contribution towards the common fund for the next three years. A safeguarding trustee is to be named. Sisters engaged in any ministry in Great Britain and Jersey, C.I. must obtain clearance from the Disclosure and Barring Service (DBS). As a further proof of their commitment, the trustees welcomed the fact that the Area Leader has engaged the professional help of a lay safeguarding lead who looks after the processing of all DBS forms both for the sisters and all employees. The lay delegate, working in partnership with the Area Leader and her Council, ensure that sisters and staff are kept informed about good practice in work and ministry.

Public benefit

In formulating the charity's aims and in planning the work of members of the Society, the trustees have had regard to the general guidance published by the Charity Commission on public benefit. The trustees are convinced that the social and pastoral work of the sisters has demonstrated that the contribution of the sisters in these areas has benefited the public. Also, in areas of retreat work and spirituality, they believe that sisters have influenced morals and attitudes of people and enhanced the spiritual well-being of those with whom the sisters have worked. The trustees, by giving donations to organisations and local projects also demonstrate public accountability. Above all, as the sisters increase in age, the care of their own sisters will be of public benefit for many years to come. Many of the sisters dealing with the public are involved in the relief of poverty, the advancement of religion and the advancement of education. The trustees also acknowledge the 'unquantifiables' in relation to 'public benefit' such as acts of kindness, hospitality and mutual support within and beyond the Society's statutes and charism. With staff working from home the amount of voluntary work completed by members has once again greatly increased during 2021. It is estimated that during the four months when staff worked from home, community members contributed approximately 900 hours per week, the equivalent of £120,000. During the remaining months of the year, it is estimated that the equivalent of a further £28,000 has been saved by the services offered by community members.

Relevant policies (continued)

Donations in support of other organisations

When planning their budget at the beginning of the year, the trustees agree to set aside a certain amount for the organisations whose work is consistent with the objects of the charity. These organisations are usually known to a number of sisters within their own area and at a wider level, throughout Britain and Ireland as well as abroad. In line with the Chapter directives 'Compassionate Action - Widening Our Circle of Love', and working with CAFOD, the charity supported the people suffering from the crisis in Afghanistan, the war in Syria, the lack of food in South Sudan. With UNICEF the charity helped the Rohingya refugees and the suffering in Yemen. In April 2021, when the daily death toll from Coronavirus in India reached almost 50,000, and Maharashtra the epicentre for the second wave, the trustees made a generous donation to CAFOD for India. When one of the trustees visited the Laudato Si' project at Wardley Hall, Worsley, Greater Manchester, it was decided to make a generous donation to the project.

Investment policy

There are no restrictions on the charity's power to invest. The charity's investments were managed by professional investment managers during the year. The investment strategy is set by the trustees with advice from their investment managers. It takes into account the charity's income requirements for the year, the risk profile and the investment managers' view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The trustees also have an Ethical Policy which precludes investment in any company, which after reasonable enquiry, clearly generates significant profits from an activity which is contrary to the objectives of the Catholic Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

Conscious of how the future of the planet can be jeopardised by investing in fossil fuels the trustees have continued to engage with their investment managers requesting a shift to invest in companies which facilitate the transition from fossil fuels to renewables and cleaner energy.

The investment managers have been given instructions to ensure that the funds of the charity are:

- ◆ protected from inflationary pressures;
- ◆ used in a manner consistent with its aims and objectives as a Society;
- ◆ available to meet future commitments; and
- ◆ earning a reasonable rate of return.

Relevant policies (continued)

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity 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 the year, the charity received no complaints about its fundraising activities.

Governance, structure and management

Governance

The Society is governed by the General Superior, her three General Council members, provincial superiors and local superiors. The General Superior and her Council are elected at the General Chapter, a meeting of the representatives of all the areas of the Society.

The General Superior, Assistants and the General Bursar are trustees of the charity. The Trust Deed provides that new trustees can be appointed by the General Superior.

Trustees

At present there are five trustees as follows:

The General Superior and her Council	4
The General Bursar	1

According to the Trust Deed the minimum number of trustees is four. The names of the trustees who served during the year are set out on the attached schedule of administrative and reference details on page 1. Since joining the Society, each of the trustees has been formed spiritually and professionally in preparation for their apostolic ministry. The current trustees have served in the fields of education, theological and spiritual training, human development, and pastoral development programmes, to name but a few. Their formation and education together with their many years of experience of leadership enables each of them to be responsible trustees of the charity.

Brief details of each of the trustees in office on 31 December 2021 are as follows:

Sister Bonita Marie Moser was elected as General Superior at the General Chapter of 2019 and appointed trustee on 6 February 2020. As a General Assistant in a previous administration she served the Society for ten years as a trustee of the British charity from 1993 to 2003. Prior to her election as General Superior she was Area Leader of the Americas. She has attended a wide variety of formative webinars during the year and takes a special interest in investments.

Governance, structure and management (continued)

Trustees (continued)

Sister Patricia Binchy, General Assistant, was re-elected at the General Chapter 2019. She has ministered in Europe, North and South America in education, pastoral work, and leadership. During the year she has attended various webinars online, including on safeguarding and education/Catholic schools.

Sister Mary Fitzpatrick was re-appointed General Bursar for a third mandate on 1 January 2021 and has been a trustee since December 2015. She has ministered in both Asia and Mainland and Eastern Europe and has a background in education and administration. She has been a member of the executive committee of the Association of Provincial Bursars (APB) since October 2018. Among the formative webinars she attended during the year were, follow-up webinars on the implementation of the Elliott Report and the establishment of RLSS (Religious Life Safeguarding Service), Investment webinars including those hosted by CCLA and Sarasin, Buzzacott Webinars on Governance, and Probate and Wills hosted by Stone King. She attended the Association of Provincial Bursars Conference at High Leigh in October.

Sister Mary Ruth Casey, General Assistant, was elected at the 2019 General Chapter and appointed trustee on 8 February 2020. She has worked on mainland Europe for most of her life and she was working in Romania prior to her election at the Chapter. She has attended many formative webinars including The Essential Trustee, Immigration webinars hosted by Stone King, many webinars on Laudato Si' Action Platform in ways to combat Climate Change in line with General Chapter Call to Care for our Common Home, and Towards a Safer Church - A conversation with Hans Zollner SJ on safeguarding.

Sister Judith Ellen Routier, General Assistant, was elected at the 2019 General Chapter and appointed trustee on 8 February 2020. She has spent most of her life outside of the UK and brings to her present ministry a wealth of expertise gained from her experiences in Africa, Asia, and Australia. She has attended many formative webinars including those on Laudato Si' Action Platform in ways to combat Climate Change in line with General Chapter Call to Care for our Common Home, four Global Healing seminars and four Global Caring seminars, International Union of Superior Generals (UISG) Safeguarding webinars, Towards a Safer Church - A conversation with Hans Zollner SJ, Stone King on Immigration Law, and Buzzacott on Impact Management and Cyber security.

New trustees are appointed when and if it is necessary following the change of administration during General Chapter. General Chapters are held every six years. The next General Chapter will be held in 2025.

Structure and management

Internationally the Society is constituted of four Areas whose superiors are appointed by the General Superior and her Assistants. The four Areas are the Area of Asia, the Area of Australia, the Area of the Americas, the Area of Europe.

Governance, structure, and management (continued)

Structure and management (continued)

Frequent meetings of the trustees are held at the Generalate which is located at Gumley House Convent, Isleworth, Middlesex. They review policies, developments in the charity, its risks, its activities and make decisions, based on reflection and appropriate advice. The trustees are aware of the need to seek advice and support from their professional advisers, including financial advisers, property consultants, investment managers and solicitors, when taking important decisions which will impact on the work, good name, or future viability of the charity.

The General Superior and her Assistants as well as Area Leaders normally carry out a programme of visitation of the countries where the sisters live and work, so the trustees have a good working knowledge of all the Society's commitments and the situations in which the sisters minister in the different countries.

Once again, during 2021, travel bans interfered with the ordinary programme of visitations. The General Superior, considering how best to care for the sisters and be informed of developments in the Areas, used many means of communication across time-zones to keep in touch with the sisters and their developing ministries. It brought her particular joy to know that sisters in every Area were reaching out to people in need.

The General Superior and her Assistants consider that the trustees and the Head of Finance and Business Administration comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. Staff salaries are reviewed annually and normally increased to reflect a cost-of-living adjustment. All trustees give of their time freely and no trustee received remuneration during the year.

Statement of trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and

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 which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable charity (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance and management of the charity

In order to keep up to date with developments in charity law and good governance, the trustees have attended many formative seminars during the year to further their knowledge of what good governance of the charity entails. The subject matter covered in these seminars included, immigration, employment law, the legal entity appropriate for the Society's institutions, divest/invest debate regarding investments. Trustees and Senior Management Staff usually attend the Catholic Charity Conference and the Association of Provincial Bursars' Annual Conference. The year 2021 offered the opportunity to attend the Association of Provincial Bursars conference in person which was a great experience for all involved.

The trustees, aided by the Area Leader, the Head of Finance and Business Administration and middle management govern and manage the charity in a practical and proactive manner.

Diminishment in our numbers continues to present the trustees with a number of strategic questions:

- ◆ Is the charity's investment policy in line with its values and needs?
- ◆ Is the charity training its professional staff in the Society's manner of proceeding and Canon Law requirements?
- ◆ Does the charity have a strategic plan for the management of its assets into the future?

Risk management

The newly devised risk assessment instrument will give the trustees an immediate overall reading of risk scores across the charity and enable them to see how risk is managed on the ground in the local communities. The trustees make an annual review of the major risks and uncertainties faced by the charity. This review is carried out in cooperation with middle management and Area Leaders. The risks reviewed concern governance and management of the charity, financial risks, operational risks, reputational risks as well as those risks which occur because of circumstances beyond the charity's control.

Furthermore, aware that the management of risks at the international level could impact on the charity's reserves, risk management in the wider Society is specifically addressed when the end of year returns are sent to the General Bursar in London. At times it is necessary to make follow-up enquiries with the leaders and bursars in particular areas.

Governance, structure, and management (continued)

Risk management (continued)

Financial risks

Aware that fraud and cyber-crime has escalated during the pandemic, the trustees review, and question policies and procedures used in the finance office. The General Bursar with the Head of Finance and Business Administration focus their attention on the Area finance offices.

The charity's investments are managed by reputable professional investment managers who have discretionary power. The portfolio review, during regular meetings with the trustees, examines whether the charity's investment policy is implemented properly and monitors its performance. Important topics discussed with the investment managers during the year centred on the meaning of an ethical fund and the divest/invest debate. During the current Covid-19 pandemic, the trustees and management continue to communicate with investment managers and consider the impact of the pandemic on investment valuations and investment income.

Operational risks

The Finance Office examined the report done by middle management at the Kersal Hill community. The report reassured the trustees of the consistent formal and informal supervision and appraisal of all staff by the Manager. The Manager is, in turn, supported and advised by a Human Resources (HR) consultant who has been working with the local leader and management on various HR related issues, e.g. contracts of employment, staff handbook policies and procedures, working practices and staff training. The 2020 review of the staff handbook will ensure compliance over the next few years.

The Risk Review done by management highlighted reputational risk and financial fraud as well as risks involved in property refurbishment projects. Risk is always on the agenda at the annual meeting of the charity representatives with the insurance brokers.

The trustees concern for cyber security has been mentioned earlier in this report. The Area Leaders are more aware of the need to ensure that community and personal IT devices have adequate protection against cybercrime.

Members of the charity work with children and vulnerable adults and as a consequence the trustees recognise the absolute necessity of ensuring the protection and safety of all those served by the charity. All staff and volunteers who work in those areas are required to have clearance from the Disclosure and Barring Service (DBS).

Reputational risks

In today's climate of growing sensitivity, the ethos of the charity may not be understood or accepted. The risk of offending the other could arise simply by being who we are. The challenge to be less judgemental and more open to difference is always present in our world. Members of the Society and employees are made aware of how their actions and behaviour can impact the charity's reputation. Moreover, reputational risks can arise from situations beyond the control of the trustees. Managing such risks is fraught with difficulty and requires constant vigilance.

Governance, structure, and management (continued)

Risk management (continued)






Faithful Companions of Jesus - Risk Analysis 2021

Key Code

Red = Major/Catastrophic

Amber = Moderate

Green = Minor

RISK	RISK DESCRIPTION	RISK KEY CODE
1.	Declining numbers resulting in lack of skill set necessary to manage the charity.	
2.	Property management-party wall issues, management of significant refurbishment/construction projects	
3.	Reputational risks	
4.	Procedures and policies for Management and Staff at Care Home	
5.	Cybercrime and Data breaches	

Employees and members of the Society

The trustees wish to record their recognition and appreciation of the professionalism and dedication of the staff and the individual members of the Society who work for the charity. 2021 has, once again, presented many challenges which staff have faced with serenity and good sense. Such qualities enable the charity to pursue its mission in the service of the public, whatever the circumstances. Their commitment is very much appreciated.

Approved by the trustees and signed on their behalf by:

Bonita M.Moser

Trustee

Date: 04-07-2022

Independent auditor's report to the trustees of Faithful Companions of Jesus

Opinion

We have audited the accounts of Faithful Companions of Jesus (the 'charity') for the year ended 31 December 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

How the audit was considered capable of detecting irregularities including fraud

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

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

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

- ◆ Making enquiries of the General Bursar and the Head of Finance and Business Administration as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

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

- ◆ Agreeing accounts disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 December 2021

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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 ended 31 December 2021

	Notes	Unrestricted funds	
		2021 £	2020 £
Income from:			
Donations and legacies			
. Members' salaries and pensions		1,169,316	1,271,512
. Legacies and other donations		39,082	21,903
Other charitable sources		17,103	13,623
Investment income and interest receivable	1	2,193,572	1,914,533
Other activities		—	2,000
Other sources			
. Uplift receipt on disposal of land	2	180,000	—
. Miscellaneous sources		31,538	38,973
Total income		3,630,611	3,262,544
Expenditure on:			
Raising funds			
. Investment management costs		293,792	212,064
. Other		4,157	6,279
Charitable activities			
. Support of members and their ministry and their apostolic, social, and pastoral work		1,819,258	1,814,983
. Grants, donations and support of overseas missionary work and provinces, including support of educational institutions and other organisations	4		
.. Grant commitments		999,349	824,592
.. Grants written back		(83,975)	(952,988)
Total expenditure	3	3,032,581	1,904,930
Net income before other gains (losses) on investments and other gains (losses)	7	598,030	1,357,614
Net gains on investments (excluding those arising on foreign exchange)	10	11,769,287	2,494,988
Foreign exchange (losses) gains on investments	10	(1,635,011)	1,355,631
Foreign exchange (losses) gains on cash held by investment managers	10	(100,556)	219,041
Foreign exchange losses on cash at bank and in hand		(1,354)	(4,137)
		10,032,366	4,065,523
Net income and net movement in funds		10,630,396	5,423,137
Reconciliation of funds			
Total fund balances brought forward at 1 January 2021		102,180,681	96,757,544
Total fund balances carried forward at 31 December 2021		112,811,077	102,180,681

There were no recognised gains and losses other than those included above.

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

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	8	5,717,285		5,797,324	
Programme related investments	9	1,495,963		1,495,963	
Listed investments	10	106,002,410		97,291,310	
			113,215,658		104,584,597
Current assets					
Debtors	11	306,482		159,207	
Cash at bank and in hand		5,395,042		5,307,521	
		5,701,524		5,466,728	
Current liabilities					
Creditors: amounts falling due within one year	12	(1,614,400)		(2,378,939)	
Net current assets			4,087,124		3,087,789
Total assets less current liabilities			117,302,782		107,672,386
Creditors: amounts due after more than one year	13		(4,491,705)		(5,491,705)
Net assets			112,811,077		102,180,681
Net assets are represented by:					
Unrestricted funds					
General fund			51,473,216		43,631,914
Tangible fixed assets fund	14		5,717,285		5,797,324
Programme related investment fund	15		1,495,963		1,495,963
Designated funds					
. Retirement fund	16	39,750,000		39,150,000	
. Building projects fund	16	2,840,060		—	
. Development fund	16	11,534,553		12,105,480	
			54,124,613		51,255,480
Total funds			112,811,077		102,180,681

Signed on behalf of the board of trustees by:

Mary T Fitzpatrick

Trustee and General Bursar

Approved by the board on: 04-07-2022

Statement of cash flows Year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	A	(3,075,190)	(5,109,026)
Cash flows from investing activities			
Investment income and interest received		2,168,383	1,910,144
Purchase of tangible fixed assets		(326,938)	(232,020)
Purchase of investments		(24,099,839)	(30,406,338)
Proceeds from the disposal of investments		28,719,912	26,437,819
Net cash provided by (used in) investing activities		6,461,518	(2,290,395)
Change in cash and cash equivalents in the year		3,386,328	(7,399,421)
Cash and cash equivalents at 1 January 2021	B	7,635,216	15,034,637
Change in cash and cash equivalents due to exchange rate movements		(101,910)	214,904
Cash and cash equivalents at 31 December 2021	B	10,919,634	7,635,216

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

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

	2021 £	2020 £
Net income for the year (as per the statement of financial activities)	10,630,396	5,423,137
Adjustments for:		
Depreciation charge	212,037	233,750
Gains on listed investments	(11,754,583)	(3,850,619)
Gains on investment properties	(14,704)	—
Exchange rate movements		
. On investments	1,635,011	(1,355,631)
. On cash held by investment managers	100,556	(219,041)
. On cash at bank and in hand	1,354	4,137
Investment income and interest receivable	(2,193,572)	(1,914,533)
Decrease (increase) in debtors	12,854	(3,759)
Decrease in creditors	(1,704,539)	(4,997,002)
Net cash used in by operating activities	(3,075,190)	(5,109,026)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	5,395,042	5,307,521
Bank deposit accounts held within investments	136,342	136,320
Cash held by investment managers	5,388,250	2,191,375
Total cash and cash equivalents	10,919,634	7,635,216

Statement of cash flows Year ended 31 December 2021

C Analysis of changes in net cash funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Net cash funds	7,635,216	3,284,418	10,919,634

Principal accounting policies 31 December 2021

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. Comparative information is provided in respect to the year ended 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) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the valuations attributed to investment properties;
- ◆ the assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds;
- ◆ assessing the probability of the receipt of legacy income and estimating the amount to be received; and
- ◆ estimating the future income and expenditure flows and the charity's financial position in order to assess the use of the going concern assumption in preparing the accounts.

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.

With regard to the next accounting period, the year ending 31 December 2022, the most significant areas that affect the carrying value of the assets held by the charitable company are the level of investment return and the performance of the investment markets.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

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, other charitable activity income, investment income, interest receivable, income from programme related investments, income from investment properties, rent receivable and income from other sources including the surplus on disposal of tangible fixed assets.

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

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.

Income recognition (continued)

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

Investment income is recognised once the dividend or equivalent has been declared and notification has been received of the amount 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 from programme related investments comprises rental income from the property used by another registered charity for purposes consistent with the objects of the charity and is recognised when due under the arrangement with the entity. Income from all investments is accounted for only when the receipt of such income is probable, and the amount can be measured reliably.

A surplus in the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. In the case of disposing of a freehold property, the surplus is recognised at the time when legal completion of the sale takes place.

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. All expenses are allocated or to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

Expenditure recognition (continued)

- ◆ Expenditure on raising funds comprises investment management fees and costs associated with the maintenance of the charity's investment properties.
- ◆ 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:
 - ◇ Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic faith, the provision of care of the elderly, the provision of formation and training and the support of the schools and education. Expenditure on supporting the apostolic work of the members includes costs associated with Katherine House Spirituality Centre, pilgrimages, and support to other charitable organisations.
 - ◇ Grants and donations payable which, in the main, relate to the support of the other parts of the worldwide Society's and its overseas missions. 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.

Support costs, including governance costs are costs which cannot be attributed to a particular activity. They are apportioned between charitable activities using an estimate of the proportion of time spent working directly on each activity. Within each charitable activity, the support costs are further split in proportion to the direct costs.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £5,000 and which have an expected life exceeding one year are capitalised.

◆ ***Freehold land and buildings***

Freehold land and buildings, and major improvements to buildings, 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. Any depreciation thereon, therefore, would be immaterial.

Tangible fixed assets (continued)

♦ ***Freehold land and buildings*** (continued)

Specialised buildings are defined as those comprising the charity's large residential convents. With the exception of buildings under construction, depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

The trustees are the legal owners of land and buildings used exclusively by schools founded by the Society, but which is now under separate control. Such assets are regarded as having a nil value for the purposes of the accounts since they cannot be disposed of in the open market or put to alternative use while such occupation continues.

♦ ***Non-specialised leasehold buildings***

Leasehold buildings, and major improvements to buildings, are included in the accounts at cost and 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. Any depreciation thereon, therefore, would be immaterial.

♦ ***Fixtures, fittings, and equipment***

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over ten years on a straight-line basis, in order to write off the cost of each asset over its estimated useful life.

Expenditure on the purchase and replacement of computer equipment is capitalised and depreciated over three years on a straight-line basis, in order to write off the cost of each asset over its estimated useful life.

♦ ***Motor vehicles***

Motor vehicles are capitalised and depreciated over five years on a straight-line basis, in order to write off the cost of each vehicle over its estimated useful life.

Investments

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

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

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

Investments (continued)

Investment properties (i.e. those not occupied by the charity, and which are rented out on commercial terms) are included in the accounts at their open market value. These properties are not depreciated.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value, or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Programme related investments

Programme related investments include land and buildings owned by the charity but used by another organisation for purposes consistent with the charity's objectives. The assets are stated at deemed cost. Any loss arising from disposal or any loss arising from impairment is recognised as expenditure on charitable activities and is charged to the statement of financial activities. Any gain arising from disposal is credited to the statement of financial activities.

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 i.e. current asset investments. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects.

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

The programme related investment fund represents the combined value of land and buildings owned by the charity but used by another organisation for purposes consistent with the charity's objectives, together with the amount outstanding on loans granted to another organisation for purposes consistent with the charity's objectives.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Services provided by members of the Society

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

Leased assets

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

Pension costs

The charity offers its employees membership of a group personal pension plan operated by The Royal London Mutual Insurance Society. Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the plan. The assets of the plan are held independently by the Royal London Mutual Insurance Society and do not form part of the charity's assets.

Notes to the accounts Year ended 31 December 2021

1 Investment income and interest receivable

	Unrestricted funds	
	2021 £	2020 £
Listed investments		
. UK equities and utilised funds	1,507,655	1,199,768
. UK fixed interest	54,937	84,753
. Overseas equities	426,946	112,483
. Overseas fixed interest	45,664	292,840
. Alternative assets	107,737	149,984
	2,142,939	1,839,828
Bank interest	3,391	27,613
Investment property income	18,442	18,292
Income from programme related investments	28,800	28,800
	2,193,572	1,914,533

2 Uplift receipt on land

During the year, in accordance with a Deed of Uplift dated 21 March 2018, the charity received £180,000 from Castle Homes SPV 4 Limited with respect to land in Broadstairs, Kent which was sold in March 2018 (2020 - £nil).

3 Expenditure

	Direct staff costs (note 4) £	Other direct costs £	Support costs £	2021 Total funds £	2020 Total funds £
Raising funds					
. Investment manager costs	—	293,792	—	293,792	212,064
. Other	—	4,157	—	4,157	6,279
	—	297,949	—	297,949	218,343
Charitable activities					
. Support of the members and their ministry					
. Care of the elderly	426,370	204,961	10,505	641,836	643,333
. Formation and training programmes	—	22,870	21,009	43,879	45,163
. Sisters' living and personal expenses	—	693,154	210,095	903,249	900,007
. Apostolic work					
. Katherine House Spirituality Centre	1,899	6,227	15,757	23,883	50,067
. Other apostolic work of members	—	180,148	26,263	206,411	176,413
	428,269	1,107,360	283,629	1,819,258	1,814,983
. Grants, donations, and support of overseas work and provinces (note 4)					
. Bicentenary grants					
.. Grant commitments	—	144,403	131,309	275,712	169,976
.. Grants written bank (see below)	—	—	—	—	(952,988)
. Overseas missions	—	14,551	5,253	19,804	12,695
. Generalate support of Provinces					
.. Grant commitments	—	475,948	78,786	554,734	508,872
.. Grants written bank (see below)	—	(83,975)	—	(83,975)	—
. Charitable donations to organisations	—	122,837	26,262	149,099	127,965
. Charitable donations to individuals	—	—	—	—	5,084
	—	673,764	241,610	915,374	(128,396)
	428,269	2,079,073	525,239	3,032,581	1,904,930

3 Expenditure (continued)

During the year to 31 December 2020, a grant was given to FCJ Philippines to assist them with a house renovation project. Following discussions with FCJ Philippines, it was agreed that there were no further payments to make, and the project was completed in 2021. The remaining balance totalling £83,975 would therefore not be paid over. As a consequence, the grant was written back to the development fund and netted off the 2021 expenditure above.

	Direct staff costs (note 4) £	Other direct costs £	Support costs £	2020 Total funds £
Raising funds				
. Investment manager costs	—	212,064	—	212,064
. Other	—	6,279	—	6,279
	<u>—</u>	<u>218,343</u>	<u>—</u>	<u>218,343</u>
Charitable activities				
. Support of the members and their ministry				
. Care of the elderly	414,301	218,864	10,168	643,333
. Formation and training programmes	—	24,827	20,336	45,163
. Sisters' living and personal expenses	—	696,646	203,361	900,007
. Apostolic work				
. Katherine House Spirituality Centre	26,248	8,567	15,252	50,067
. Other apostolic work of members	—	150,993	25,420	176,413
	<u>440,549</u>	<u>1,099,897</u>	<u>274,537</u>	<u>1,814,983</u>
. Grants, donations, and support of overseas work and provinces (note 3)				
. Bicentenary grants				
.. Grant commitments	—	42,876	127,100	169,976
.. Grants written bank (see below)	—	(952,988)	—	(952,988)
. Overseas missions	—	7,611	5,084	12,695
. Generalate support of Provinces	—	432,611	76,261	508,872
. Charitable donations to organisations	—	107,629	20,336	127,965
. Charitable donations to individuals	—	—	5,084	5,084
	<u>—</u>	<u>(362,261)</u>	<u>233,865</u>	<u>(128,396)</u>
	<u>440,549</u>	<u>955,979</u>	<u>508,402</u>	<u>1,904,930</u>

During the year to 31 December 2020, negotiations took place to hand over St Philomena School, Portsmouth, Rhode Island, to the Society of the Sacred Heart. During 2020 it was agreed that the remainder of the Bicentenary grant awarded to the School in 2019 and totalling £952,988 would not be paid over. As a consequence, the grant was written back to the development fund and netted off the 2020 expenditure above.

Notes to the accounts Year ended 31 December 2021

3 Expenditure (continued)

A further analysis of support costs is outlined below:

	Staff costs £	Other costs £	2021 Total £	Staff costs £	Other costs £	2020 Total £
Management and administration staff (note 5)	228,577	—	228,577	222,307	—	222,307
Office costs	—	146,481	146,481	—	118,621	118,621
Professional and legal fees	—	66,237	66,237	—	82,331	82,331
Governance costs	—	17,700	17,700	—	17,700	17,700
Depreciation	—	61,960	61,960	—	63,817	63,817
Other costs	—	4,284	4,284	—	3,626	3,626
	228,577	296,662	525,239	222,307	286,095	508,402

The basis of apportionment of support costs is set out in the accounting policies.

Notes to the accounts Year ended 31 December 2021

4 Grants, donations, and support of overseas missionary work, including support of educational institutions and other organisations

	Unrestricted funds	
	2021 £	2020 £
Support of schools, projects, and Bicentenary grants		
FCJ Secondary School FCJ, Bunclody County, Wexford	6,121	—
FCJ Area of the Americas	138,282	—
St Philomena School, Portsmouth, Rhode Island,	—	(952,988)
Gumley House School FCJ, Isleworth	—	27,337
Editions du Signe	—	15,539
	144,403	(910,112)
Overseas missions		
Argentina	902	2,750
Indonesia	—	1,162
The Philippines	3,676	709
Romania	6,537	—
South Sudan	3,436	2,990
	14,551	7,611
Generalate support of Provinces		
Europe	404,548	272,067
Asia and Australia	(12,575)	160,544
	391,973	432,611
Charitable donations to organisations of £1,000 and above		
Archdiocese of Southwark Catholic Chaplaincy	—	2,000
Asociatia Timote Cipariu	—	1,740
Avaaz - Power the Amazon Rescue	2,000	3,000
CAFOD	50,000	34,050
Casa Dell Instituto Fedeli Compagne Di Gesu	—	13,050
European Youth Portal – Solidarity Projects	2,000	—
Laudato Si' Centre, Salford	10,000	—
Little Sisters of the Poor	—	5,000
Marie Curie	3,000	—
Meadow House Hospice	2,500	—
Middlesborough Diocesan Trust	1,000	—
Neighbours in Poplar	1,000	5,000
Oxfam	—	5,000
Redemptorist Publications	—	2,500
Salvation Army	5,000	—
Samaritans	5,000	5,000
Send a Cow	5,000	—
Serve the City	—	1,740
St Joseph's Pastoral Centre	5,000	—
The Ireanaues Project	—	5,000
Theos Think Tank	—	1,000
UNICEF	10,000	—
Virgia Cornelia	—	1,740
WaterAid UK	5,000	—
Women at the Well	1,000	—
World Food Programme	5,000	—
Young Minds	—	5,000
	112,500	90,820
Charitable donations to organisations of less than £1,000	10,337	16,809
	673,764	(362,261)

5 Staff costs and remuneration of key management personnel

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	572,349	577,741
Social security costs	46,360	45,567
Pension contributions	38,137	36,783
	656,846	660,091
Temporary agency staff	—	2,765
	656,846	662,856

The average numbers of persons (including key management personnel) employed by the charity during the year was as follows:

	2021 Number	2020 Number
Domestic and ancillary staff	23	21
Administration and clerical staff	6	8
	29	29

Higher paid staff

The number of employees whose employee benefits (excluding employer pension and employer national insurance costs) fell within the following bands was:

	2021 Number	2020 Number
£70,001 - £80,000	—	1
£80,001 - £90,000	1	—

The employer's pension contributions in respect of this employee were £8,725 (2020 - £7,752).

Key management personnel

The key management personnel of the charity who are in charge of directing and controlling, running, and operating the charity on a day-to-day basis comprise the trustees and the Head of Finance and Business Administration. The total amount of employee benefits (including taxable benefits and employer's pension contributions and national insurance contributions) received by key management personnel for their services to the charity was £106,797 (2020 - £94,764).

6 Trustees' remuneration and expenses

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. The trustees received no remuneration for their services during the year (2020 - none) and no reimbursement of expenses in connection with their duties as trustees (2020 - none).

Notes to the accounts Year ended 31 December 2021

6 Trustees' remuneration and expenses (continued)

As members of the Society, 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 £13,889 (2020 - £47,217).

7 Net income before gains (losses) on investments and other gains (losses)

This is stated after charging (crediting):

	2021 £	2020 £
Depreciation of assets	212,037	233,750
Staff costs	656,846	662,856
Operating lease costs	30,700	21,300
Auditor's remuneration:		
Statutory audit services		
. Current year	26,000	26,000
. Prior year	(8,300)	(8,300)
Other services		
. HR consultancy fees	—	10,638
. Tax consultancy fees	—	3,223

8 Tangible fixed assets

	Freehold land and buildings		Non-specialised leasehold buildings	Fixtures, fittings and equipment	Motor vehicles	Total funds
	Specialised £	Non-specialised £	£	£	£	£
Cost						
At 1 January 2021	6,646,448	658,873	75,015	1,002,200	201,743	8,584,279
Additions	1,200	—	—	130,798	—	131,998
At 31 December 2021	6,647,648	658,873	75,015	1,132,998	201,743	8,716,277
Depreciation						
At 1 January 2021	1,909,827	—	—	728,200	148,928	2,786,955
Charge in year	132,953	—	—	59,896	19,188	212,037
At 31 December 2021	2,042,780	—	—	788,096	168,116	2,998,992
Net book values						
At 31 December 2021	4,604,868	658,873	75,015	344,902	33,627	5,717,285
At 31 December 2020	4,736,621	658,873	75,015	274,000	52,815	5,797,324

At 31 December 2021, the trustees had authorised but not contracted for capital projects in respect to the refurbishment of freehold buildings with an estimated overall cost of £2,975,000 (2020 - £nil). As at 31 December 2021, initial costs relating to these projects amounting to £134,940 had been incurred and have been included in prepayments (see note 11) (2020 - £nil).

9 Programme related investments

At the year-end, two of the charity's properties were occupied by other organisations and used of purposes directly compatible with the charity's charitable objectives.

	2021 £	2020 £
At 1 January 2021	1,495,963	960,098
Reclassification of tangible fixed asset	—	535,865
At 31 December 2021	1,495,963	1,495,963

The land and buildings above comprise two properties owned by the charity but used by other charitable organisations for purposes consistent with the objects of the charity. As explained under principal accounting policies, the above properties are included on the balance sheet at the value at which they were included in tangible fixed assets immediately prior to their reclassification as a programme related investment in 2018 and 2020.

10 Investments

	2021 £	2020 £
Listed investments and cash held for re-investment (note a)	105,381,068	96,684,694
Bank deposit accounts	136,342	136,320
Investment properties (note b)	485,000	470,296
	106,002,410	97,291,310

The bank deposit accounts represent monies held by CCLA for the long term and considered part of the charity's fixed asset investments.

a. Listed investments and cash held for re-investment

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	94,493,319	86,674,181
Additions at cost	24,099,839	30,406,338
Disposals at book value (see below)	(26,737,950)	(27,509,375)
Net unrealised gains	9,772,621	3,566,544
Exchange (losses) gains	(1,635,011)	1,355,631
Market value at 31 December 2021	99,992,818	94,493,319
Cash held by investment managers for re-investment	5,388,250	2,191,375
	105,381,068	96,684,694
 Cost of listed investments at 31 December 2021	 82,144,904	 83,065,215

10 Investments (continued)

a. Listed investments and cash held for re-investment (continued)

Disposals at book value included above are made up of the following:

	2021 £	2020 £
Proceeds	28,719,912	26,437,819
(Gains) losses	(1,981,962)	1,071,556
Disposals at book value	26,737,950	27,509,375

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
UK equities and unitised funds	51,193,488	43,613,183
UK fixed interest	4,869,800	5,317,181
Overseas listed investments	40,623,423	42,597,845
Alternative assets	3,306,107	2,965,110
	99,992,818	94,493,319

At 31 December 2021, the charity held individual holdings greater than 5% of the total quoted investments as follows:

	2021 £	2021 %
COIF Charities Ethical Investment Fund Income Units	21,842,115	21.84
COIF Charities Ethical Investment Fund Accumulation Units	5,452,724	5.45

b. Investment properties

	Total 2021 £	Total 2020 £
At 1 January 2021	470,296	470,296
Unrealised gain on revaluation	14,704	—
At 31 December 2021	485,000	470,296

Investment properties comprise land and buildings at 11 Pulteney Close, Isleworth. This property is included on the balance sheet at its market value at 31 December 2021 which is based on a February 2022 valuation determined by the trustees with professional assistance. The trustees do not believe there has been any material change in the value of the property since that date.

The historical cost of the investment property included above is £470,296 (2020 - £470,296).

Notes to the accounts Year ended 31 December 2021

11 Debtors

	2021 £	2020 £
Prepayments*	134,940	12,633
Investment income receivable	171,542	146,353
Other debtors	—	221
	306,482	159,207

*Included within prepayments above is £134,940 relating to initial costs such as feasibility studies and preliminary professional fees in respect to tangible fixed asset projects due to commence in 2022 (2020 - £nil). (See note 8)

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Expense creditors	3,588	11,721
Other creditors	6,093	—
Monies administered by the charity on behalf of individual members of Faithful Companions of Jesus	158,003	158,003
Social security and other taxes payable	6,236	—
Accruals and other creditors	158,987	108,350
Payments due in respect to property construction work	—	60,000
Grants payable	1,281,493	2,040,865
	1,614,400	2,378,939

Included within grants payable above is £1,138,211 (2020 - £1,062,262) of Bicentenary grants. These grants were committed by the trustees in the year to 31 December 2019 as part of the celebrations of the bicentenary of the Society's foundation.

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Grants payable	4,491,705	5,491,705

The above grants relate to amounts committed by the trustees during the year to 31 December 2019 as part of the celebrations of the bicentenary of the Society's foundation. The payment of these grants has been delayed in part because of Covid-19 and both the direct and indirect impact of the pandemic on the projects to be financed. As a consequence, certain payments are now not expected to occur before the end of 2022.

14 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	5,797,324	6,424,919
Net movement in year	(80,039)	(627,595)
At 31 December 2021	5,717,285	5,797,324

The tangible fixed assets fund represents the net book value of the charity's freehold and other tangible fixed assets. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

15 Programme related investment fund

	2021 £	2020 £
At 1 January 2021	1,495,963	960,098
Transfers	—	535,865
At 31 December 2021	1,495,963	1,495,963

The programme related investment fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by another charitable organisation with objectives consistent with those of the charity. The value of these programme related investments should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

16 Designated funds

The income funds of the charity include the following designated funds which has been set aside out of unrestricted funds by the trustees for specific purposes:

Retirement Fund

A fund has been designated to provide for the charity's commitment to provide for the retirement and care in old age and sickness of its members. The trustees have estimated based on actuarial methods that a fund of some £39,750,000 will be required to make provision for the ongoing needs of members after taking account of their occupational rights. The trustees have designated a part of the investment portfolio equal to this amount for this purpose. Transfers are made to and from the fund to reflect further designations or withdrawals from the fund.

Development Fund

The charity is committed to the development of the Society's educational and other mission work around the world in addition to supporting the charity's other projects. These works and projects include the Bicentenary grants referred to in the trustees' report, the growth and continued formation of the Society and its work in Asia, developing world mission generally as well as specific ad hoc initiatives, including educational projects. In addition, the trustees will continue to invite and consider funding other strategic projects consistent with the charity's goals of sustainable living.

16 Designated funds (continued)

Building projects fund

The charity is committed to two refurbishment projects on two of its properties with a total estimated value of £2,975,000. As at 31 December 2021, costs relating to these projects amounted to £134,940 and have been included in prepayments above (2020 - £nil).

Analysis of movements

	At 1 January 2021 £	Designated (released) £	At 31 December 2021 £
Retirement fund	39,150,000	600,000	39,750,000
Development fund	12,105,480	(570,927)*	11,534,553
Building projects fund	—	2,840,060	2,840,060
	51,255,480	2,869,133	54,124,613

	At 1 January 2020 £	Designated (released) £	At 31 December 2020 £
Retirement fund	39,150,000	—	39,150,000
Development fund	11,152,492	952,988*	12,105,480
	50,302,492	952,988	51,255,480

*During the year to 31 December 2020, a grant was given to FCJ Philippines to assist them with a house renovation project. Following discussions with FCJ Philippines, it was agreed that there were no further payments to make, and the project was completed in 2021. The remaining balance totalling £83,975 would therefore not be paid over. As a consequence, the grant was written back to the development fund and is included within the balance above.

**During the year to 31 December 2020, negotiations took place to hand over St Philomena School, Portsmouth, Rhode Island, to the Society of the Sacred Heart. During 2020 it was agreed that the remainder of the Bicentenary grant awarded to the School in 2019 and totalling £952,988 would not be paid over. As a consequence, the grant was written back to the development fund.

Notes to the accounts Year ended 31 December 2021

17 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

	General fund £	Fixed assets fund £	Programme related investment fund £	Designated funds £	Total 2021 £
Tangible fixed assets	—	5,717,285	—	—	5,717,285
Programme related investments	—	—	1,495,963	—	1,495,963
Investments	66,252,410	—	—	39,750,000	106,002,410
Net current (liabilities) assets	(10,287,489)	—	—	14,374,613	4,087,124
Creditors: falling due after more than one year	(4,491,705)	—	—	—	(4,491,705)
	51,473,216	5,717,285	1,495,963	54,124,613	112,811,077

	General fund £	Fixed assets fund £	Programme related investment fund £	Designated funds £	Total 2020 £
Tangible fixed assets	—	5,797,324	—	—	5,797,324
Programme related investments	—	—	1,495,963	—	1,495,963
Investments	58,141,310	—	—	39,150,000	97,291,310
Net current (liabilities) assets	(9,017,691)	—	—	12,105,480	3,087,789
Creditors: falling due after more than one year	(5,491,705)	—	—	—	(5,491,705)
	43,631,914	5,797,324	1,495,963	51,255,480	102,180,681

The total unrealised gains as at 31 December 2021 constitute movements on revaluations of listed investments and are as follows:

	2021 £	2020 £
Unrealised gains included above		
On listed investments	17,847,914	11,428,104
On investment properties	14,704	—
	17,862,618	11,428,104
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	11,428,104	10,164,460
Less: in respect of disposals in the year	(3,191,668)	(2,507,220)
Net gains arising on revaluation in the year	10,134,276	3,566,544
Exchange (losses) gains in the year	(99,202)	204,320
Total unrealised gains at 31 December 2021	17,862,618	11,428,104

18 Taxation

The Faithful Companions of Jesus 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.

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the year by the Society of the Faithful Companions of Jesus by virtue of the fact that the members of the Society elect the General Superior and the General Council members at the General Chapter held every six years and the General Bursar is appointed by the Superior General. The Congregation does not hold any assets, incur liabilities, or enter into any transactions in its own right within England and Wales. Assets and liabilities in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Society's charitable activities.

20 Related party transactions

On 5 May 2021, one of the trustees of the charity was appointed as a trustee of The Medaille Trust. The Medaille Trust occupies a property which is owned by the charity and is included in programme related investments in these accounts at a value of £535,865 which represents cost less any impairment. No rental income is received from The Medaille Trust.

With the exception of the transactions with trustees disclosed in note 6 to these accounts, there have been no other related party transactions requiring disclosure (2020 – none).

21 Lease commitments

Operating leases

At 31 December 2021, the charity had total future commitments under non-cancellable operating leases for buildings as follows:

	2021 £	2020 £
Payable:		
Within one year	31,100	30,700
Between two and five years	43,400	16,900
	74,500	47,600

22 Post balance sheet event

It is anticipated that the charity will convert to a Charitable Incorporated Organisation (CIO) with effect from midnight on 31 December 2022. This will be the culmination of many months of working with professional advisers with a view to ensuring that the charity's governing document and governance arrangements are updated and appropriate for the coming decades.