

The Congregation of the Dominican Sisters of Malta

Charitable Trust

Charity No 250683

Annual Report and Accounts

31 December 2020

The Congregation of the Dominican Sisters of Malta Charitable Trust

Legal and administrative information

Trustees:

Sister Mary Anne Cardona (Superior)
Sister Mary Attard
Sister Filomema Grima
Sister Maria Dolores Gauci
Sister Theresa Sciortino
Sister Maria Dolores Schembri

Administrative address:

Maryfield Convent
London Road
Hook
RG27 9LA

Charity registration number:

250683

Auditor:

Michael George & Co
Dawes Court House
Dawes Court, High Street
Esher
KT10 9QD

Investment managers:

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Bankers:

Barclays Bank plc
68 Knightsbridge
London
SW1X 7BW

Solicitors:

Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report

Year ended 31 December 2020

The Trustees present the statutory report and accounts of the Congregation of the Dominican Sisters of Malta Charitable Trust (the "charity") for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 13 to 15 and comply with applicable UK Accounting Standards (UK Generally Accepted Accounting Practice). The principles set out in the Statement of Recommended Practice on "Accounting and Reporting by Charities" known as the Charities SORP (FRS102) issued in October 2019 have been followed in the preparation of this report and accounts.

Introduction:

The Dominican Sisters of Malta (the "Congregation") is an international religious congregation founded in 1889 comprising 19 communities of Sisters working in Malta, Italy, England, Sri Lanka, Pakistan and Australia.

This report and accounts are in respect of the charitable trust on which the Congregation has placed the assets of its community at Hook, Hampshire, England and through which its finances are administered. The charity is governed by a Trust Deed dated 11 January 1967 and a Scheme dated 19 June 1997 and is registered under the Charities Act 2011, registration number 250683.

Principal aims and mission:

The aim of the charity is the support of such charitable purposes which advance the religious and other charitable work carried on in England and Wales and elsewhere by the Congregation. This work in particular includes the maintenance of a residential home in Hook for the elderly.

The Congregation's whole life follows the apostolic model so as to respond with the Church to the needs of each age or culture and to take its part in the advent of a world of greater justice by adapting its manner of life and action to the demands of the apostolate.

When setting the objectives and planning the work of the charity for the year and when encouraging the work of individual Sisters, the Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on fee charging.

Public benefit

The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission and consider that the charity fulfils that obligation by reason of it offering care home facilities to all irrespective of gender, race or creed and by its work in its local community.

Structure, governance and management:

Governance:

Under the terms of the Trust Deed the Trustees are appointed by the Mother General of the Congregation.

The Congregation itself is directed by the Mother General and her four councillors whose mandate is renewed every six years through a "Chapter of Elections".

Each community is under the direct jurisdiction of the Mother General and her council residing in the Generalate House in Malta. Each house is under the supervision of a local Superior. The community in Hook is one such house.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report (continued)

Year ended 31 December 2020

Governance: (continued)

The names of the Trustees who have served from 1 January 2020 until the date of this report are listed on page 1. All Trustees are members of the Congregation with wide experience and knowledge of the work of the Congregation and its community in Hook.

Structure and management reporting:

The Trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the Trustees seek advice and support from the charity's professional advisers including investment managers, solicitors and accountants. The day-to-day management of the charity's activities and the implementation of policies is delegated to the appropriate members of the Congregation.

The day-to-day responsibility for the residential home at Hook is in the hands of a registered manager who is also a Sister.

Risk management:

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to specific operational areas of the charity, its investments and its finances. The Trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems and examining the operational and business risks faced by the charity they have established effective systems to mitigate these risks.

Activities, specific objectives and relevant policies:

Care of the elderly:

The community continues to offer a client-oriented service at Maryfield Residential Home for its aged and retired resident clients according to each's special needs in a Christian environment where the residents come from varied backgrounds.

The home has well-established links with local medical general practitioners and nursing services to support and enhance the care provided.

Social and pastoral care:

The community continues to offer local services for the needy including:

- visits to the housebound and support for bereaved families;

- visits to the sick and residents and friends in hospital;

- organising transport where necessary for less mobile residents by dedicated drivers and organising various outings and trips;

- assisting the homeless within the charity's means by providing food and material assistance in cases of distress;

- assisting local parishioners in attending Church on Sundays.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report (continued)

Year ended 31 December 2020

Social and pastoral care (continued)

assisting parishioners at different levels, for example social help, moral and spiritual guidance and crisis relief for families;

Donations:

The Trustees have a strong commitment to support Sisters working abroad, especially in Pakistan and Sri Lanka. Support is normally channelled through the Congregation's Mother House, the work of which is also supported generally, although occasionally donations are made direct. In addition, small alms are given to individuals for the relief of hardship and distress.

Support of members of the Congregation:

The Trustees continue to support and assist members of the community at Hook, some of which continue to work beyond normal retirement age.

Investment policy:

The charity has a portfolio of investments with a value at the balance sheet date of £21,101,353 (2019 - £19,199,744). The investments were managed in previous years by Barclays Wealth but were transferred entirely to CCLA in 2019. Both managers operate within specific guidelines that are set and regularly reviewed by the Trustees. The strategy is to maximise the total returns within acceptable risk parameters. There is no restriction on the charity's power to invest.

Reserves policy:

The Trustees have decided that adequate reserves must be maintained for specific purposes which are: (a) to provide sufficient income for the retirement of the Sisters as determined by the periodic actuarial review; (b) to provide sufficient funds to maintain the charity's buildings to the required standard, and (c) to provide sufficient funds to enable the charity to carry out its work in the community and in its care home.

Remuneration policy:

The resident Sisters who are all Trustees, do not receive salaries or wages but are provided with free accommodation plus living and other expenses. There is one other key staff whose salary is set by the Trustees having regard to responsibilities undertaken and market rates for similar employments.

Achievements and performance:

Care of the elderly:

The Home provides permanent accommodation for its residents and has acquired an extremely good reputation in the area which is supported by very favourable reports from the Care Quality Commission. The community of qualified Sisters and carers provides 24 hour service to residents who have their own rooms and a chapel with an adjacent church where a full-time priest provides spiritual care.

The residents enjoy a considerable library of books, DVD's etc for their entertainment and every month a news tape is received from Hampshire County Council providing current information regarding healthcare and associated matters.

The residents also have access to the large garden where a marquee has been installed and to the Games Room and Tea Room. The Tea Room is particularly popular after daily service to entertain friends and family.

The latest (unannounced) inspection by a Care Quality Commission team on 31 July 2019 found that the Home met the standards required in all subdivisions of all five categories of the Standards that residents have the right to expect. The full report was published on 5 September 2019 and is available on the CQC website.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report (continued)

Year ended 31 December 2020

Social and pastoral care:

The community continued to provide the social and pastoral care outlined under "Activities, specific objectives and relevant policies".

Donations:

The charity normally provides financial support to the Congregation Sisters in overseas missions via the Congregation's Mother House and this year a total of £15,070 was donated in small separate amounts.

Financial review:

Results for the year:

Incoming resources amounted to £674,449 (2019 - £928,353) and resources expended on furthering the charity's objectives amounted to £413,820 (2019 - £687,076). Of the incoming resources £616,187 (2019 - £658,226) related to fees from the residential home. Further resources were expended on the continuing modernisation and refurbishment programmes.

During the previous year the Trustees decided to dispense with the investment services of Barclays Wealth and instructed them to liquidate the entire portfolio and to transfer the proceeds to CCLA as investment managers. CCLA were instructed to invest the proceeds thus received in COIF Charities Ethical Investment Fund Accumulation Units.

Distributions are not paid in respect of accumulation units but are incorporated into the fund and the resulting increase in value is reflected in the bid price of the units. For this reason the incoming resources, which in previous years had included dividend income and interest received, has completely disappeared. For this and future years there will be no income to be shown as dividends and interest and this will continue whilst the investment remains in accumulation units. The distributions made during the year and fluctuations in the values of the underlying investments will be reflected in the bid price of the units at the year-end and such movements in valuations will be disclosed as increases or decreases in unrealised gains or losses.

	£
Total movements in investments has been as follows:	
Bid value of units at 1 January 2020	19,199,744
Purchases	24,309
Market price movement on COIF units	1,877,300
Bid value of units at 31 December 2020	<u>21,101,353</u>

Financial position

The charity's total funds at 31 December 2020 were £22,929,865 (2019 - £20,791,936). Of this £1,501,110 represented tangible fixed assets used to support the charity's work. A sum of £6,795,750 (2019 - £4,810,000) has been calculated by the Trustees using actuarial principles to provide for all of the Order's Sisters in their retirement and has been designated as a retirement reserve.

The number of Sisters worldwide continues to decline and this trend also applies in England. In view of this and the increasing complexity and burden of the regulatory regime and the physical demands of providing care by an ageing community of Sisters the Congregation has continued to operate its Home at 50% of capacity. There are now 5 or sometimes 6 Sisters working in the care home but prior to that there were 7 Sisters. This has necessitated the direct employment of several staff to fill the positions left by the Sisters' leaving in recent years and this trend is likely to continue over the next few years.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report (continued)

Year ended 31 December 2020

Financial position (continued):

Free reserves at 31 December 2020 stood at £14,634,115 (2019 - £14,481,936). These reserves are represented by investments and cash awaiting investment. It is the Trustees' view that these investments and the reserves they represent must be kept intact to provide funds when necessary to support the charity's work, to provide for capital expenditure and to provide a contingency fund for emergencies. As mentioned in the previous paragraph, the present Sisters are ageing and replacements are likely to prove difficult to find and therefore much greater reliance will have to be placed on contract and directly employed staff to continue the care aspect of the charity's work.

Covid-19 Pandemic

In March 2020 before the pandemic was rife in the United Kingdom and the UK Government ordered a national lockdown in an attempt to stop the spread of the disease, the Trustees took the decision that no visitors would be allowed to enter the retirement home for any reason, other than medical emergencies, and that no new residents would be admitted if any vacancies occurred.

In addition to these restrictions, the Trustees ensured that all disinfectant and other anti-viral measures would be performed as frequently as possible by all staff and carers including frequent hand washing, using antibacterial gels for extra protection and utilizing additional personal protective equipment including gloves, gowns, masks and other equipment.

These measures ensured that there were no cases of infection with Covid-19 in the residential home during the year and there have been none since the year-end. The protective equipment will continue to be used until the Government scientists advise otherwise.

Trustees' responsibilities statement:

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

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

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP) issued in October 2019;
- c) Make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and;
- e) prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charities (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.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Trustees' report (continued)

Year ended 31 December 2020

Future plans:

The community will continue its caring and pastoral work and provide care for the aged and retired and to support its missionary work.

Signed on behalf of the Trustees:

Sr. M. A. Cardona O.P.

**Sister Mary Anne Cardona O.P.
Trustee**

Dated: 4 June 2021

The Congregation of the Dominican Sisters of Malta Charitable Trust

Independent auditor's report

Independent auditor's report to the Trustees of the Congregation of the Dominican Sisters of Malta Charitable Trust

Opinion

We have audited the financial statements of the Congregation of the Dominican Sisters of Malta Charitable Trust for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, (UK Generally Accepted Accounting Practice) and the Charities SORP (FRS102) issued in October 2019.

In our opinion the financial statements:

give a true and fair view of the state of the charitable trust's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;

have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of The Charities Act 2011 and The Charities (Accounts and Reports) Regulations 2008 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable trust in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 the date when the financial statements 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, other than the financial information and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

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 (Accounts and Reports) Regulations 2008 and The Charities Act 2011 require us to report to you if, in our opinion:

the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or

sufficient accounting records have not been kept; or

the financial statements are not in agreement with the accounting records; or

we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 an 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 financial statements.

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, are detailed below.

The audit was carried out directly by or under direct control of the engagement principal who has extensive experience and knowledge of the charitable trust and of the legal and regulatory framework under which the charitable trust operates. The areas in which a material misstatement may occur have been identified by ourselves as investment reporting and operating income.

The charitable trust's funds not immediately required have been placed with CCLA for investment in appropriate COIF funds. The investments have been made in accumulation units and therefore produce no income, the income from the underlying investments being reflected in the accumulation unit price. Investments reports, including year-end balance certificates, are obtained directly from the investment manager. We have examined these reports and the Reporting Accountants' Assurance Report to CCLA Investment Management Limited regarding the investment manager's procedures and conclude that there is unlikely to be any material misstatement regarding investments as reported by the investment manager.

Auditor's responsibilities for the audit of financial statements (continued)

The charitable trust operates a residential home for a maximum of eighteen residents at fixed monthly rates which are reviewed annually. Fees are paid in advance by bank standing order on the first day of each month and income can therefore be verified in conjunction with room occupation and residents' records. All arrivals, departures, medical and other requirements are recorded for examination by the Care Quality Commission who review these and all operating standards at unannounced quality control visits. The latest visit in July 2019 resulted in an award of "Good" in all categories.

In our opinion our audit procedures were effective and were capable of detecting any material irregularity, including fraud, and this has enabled us to express our opinion as shown in the first section of this report.

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

Use of the audit report

This report is made solely to the Trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 Trustees as a body for our audit work or for the opinions we have formed



Michael George & Co

Chartered Accountants and Statutory Auditor

Dawes Court House
Dawes Court, High Street
Esher, Surrey
KT10 9QD

Dated: 4 June 2021

Michael George & Co is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Statement of financial activities

Year ended 31 December 2020

	Notes	Unrestricted Funds		Permanently Ended Funds	
		2020	2019	2020	2019
		£	£	£	£
Income					
Income from generated funds:					
Investment income and interest receivable	1	114	264,317	-	-
Income from charitable activities:					
Residential home fees and charges		616,187	658,226	-	-
Support grants re Covid-19		39,279	-	-	-
Other income:					
Rebates received from CCLA	1	18,869	5,810	-	-
Total income		674,449	928,353	-	-
Expenditure					
Cost of generating funds:					
Investment management fees and bank charges		-	27,015	-	-
Cost of charitable activities:					
Charitable donations	2	15,070	258,969	-	-
Care of the elderly	3	360,456	360,449	-	-
Support of members of the Congregation and their ministry	4	25,692	29,356	-	-
Other costs	5	12,602	11,287	-	-
Total expenditure		413,820	687,076	-	-
Net income/(outgoings) for the year		260,629	241,277	-	-
Net increase in investment gains/(losses)	10	1,877,300	2,963,046	-	-
Improvements to property written off		-	(137,794)	-	-
Net movement in funds		2,137,929	3,066,529	-	-
Balances brought forward at 1 January		19,291,936	16,225,407	1,500,000	1,500,000
Balances carried forward at 31 December		21,429,865	19,291,936	1,500,000	1,500,000

All income and expenditure derives from continuing activities

The Congregation of the Dominican Sisters of Malta Charitable Trust

Balance sheet as at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	1,501,110	1,502,230
Investments	10	21,101,353	19,199,744
		<u>22,602,463</u>	<u>20,701,974</u>
Current assets			
Debtors and prepayments	11	3,413	5,331
Bank balances		351,090	118,288
		<u>354,503</u>	<u>123,619</u>
Creditors: amounts falling due within one year	12	(27,101)	(33,657)
Net current assets		<u>327,402</u>	<u>89,962</u>
Total net assets		<u>22,929,865</u>	<u>20,791,936</u>
Represented by:			
Funds and reserves			
Unrestricted funds:			
General funds	14	14,634,115	14,481,936
Designated funds	13	6,795,750	4,810,000
		<u>21,429,865</u>	<u>19,291,936</u>
Permanent endowment fund	14	1,500,000	1,500,000
		<u>22,929,865</u>	<u>20,791,936</u>

Approved by the Trustees and signed on their behalf by:

Sr. M.A. Cardona O.P.

Sister Mary Anne Cardona O.P.
Trustee

Dated: 4 June 2021

The Congregation of the Dominican Sisters of Malta Charitable Trust

Statement of Cash Flows

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net income as reported in the Statement of Financial Activities	260,629	241,277
Adjustments for:		
Depreciation	1,120	1,120
Net income from investments	(18,869)	(243,112)
Decrease in debtors	1,919	11,044
Increase/(Decrease) in creditors	2,272	(54,913)
Net cash provided by operating activities	<u>247,071</u>	<u>(44,584)</u>
Cash flows from investing activities:		
Net income from investments	18,869	243,112
Change in cash awaiting investment	-	354,986
Proceeds from the sales of investments	-	19,308,116
Purchase of investments	(24,309)	(19,725,805)
Purchase of fixed assets	-	-
Cost of modernisation and rebuilding and remodelling of second floor	-	(137,794)
Net cash used in investing activities	<u>(5,440)</u>	<u>42,615</u>
Change in cash and cash equivalents in the year	241,631	(1,969)
Cash and cash equivalents at 1 January	99,220	101,189
Cash and cash equivalents at 31 December (see below)	<u>340,851</u>	<u>99,220</u>
Analysis of cash and cash equivalents at 31 December:		
Business premium deposit account (instant access)	351,090	118,288
Current account overdraft	(10,239)	(19,068)
	<u>340,851</u>	<u>99,220</u>

The Congregation of the Dominican Sisters of Malta Charitable Trust

Principal accounting policies

Year ended 31 December 2020

Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern and that the Trust meets the definition of a public benefit entity under FRS 102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these and the previous periods' accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 (October 2019) a restatement of comparatives was needed and have concluded that no such restatement was required. Deposits are not required. Legacies are recognised on Probate of the deceased's Will.

Income

Income is recognised in the period in which the charity is legally entitled to it, any performance conditions have been met, the amount can be reliably measured and it is probable that the income will be received. Existing care home residents are billed in advance on the first day of each month and for new residents on the day of their admission then on the first day of each subsequent month.

Expenditure

Expenditure is included in the Statement of Financial Activities when incurred and includes any attributable Value Added Tax as this cannot be recovered. Expenditure is detailed in the Statement of Financial Activities and further details are given in Notes 3 to 8 of these accounts.

Allocation of support and governance costs

Support costs have been allocated between care of the elderly and the members of the congregation on the basis of the relative proportions of residents of the care home to the resident members of the congregation. Governance costs are shown separately as "Other costs" and represent costs associated with public accountability of the charity and its compliance with regulation and good practice and include audit fees.

Tangible fixed assets

Fixtures, fittings and equipment costing more than £1,500 with an expected useful life in excess of one year are capitalised and the cost of each item is written off evenly over five years.

Freehold land and buildings were gifted to the charity in 1967 and therefore have no original cost. They are included in the balance sheet at a valuation of £2,500,000 made by the Trustees with professional assistance on 31 December 1996 on the basis of replacement cost for existing use of the buildings only and this valuation has been adopted by the Trustees on the transition to FRS 102 as the deemed cost of the entire asset. No value has been placed on the land which is included in the valuation of the entire asset adopted on the transition to FRS 102. No further valuations will be carried out. Depreciation had been provided at 2% per annum on a straight line basis to write off the deemed cost of the buildings over their estimated useful life of 50 years but additions to this provision ceased from 1 January 2019 as the Trustees have ascertained that the residual value of the freehold land and buildings exceeds their deemed cost.

The fabric of the building is being upgraded over the years and where these additions and improvements are incorporated into and therefore form part of the building and do not retain their individual identity they are written off as incurred.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Principal accounting policies (continued)

Year ended 31 December 2020

Fixed asset investments

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 unit bid price as provided by CCLA, the Investment Fund managers. The Statement of Financial Activities includes the net gains and losses arising on revaluation during the year.

The entire investment portfolio is comprised of accumulation units in COIF Charities Ethical Investment Fund which the Trustees have selected as representing the objects of the Trust. The fund managers employ ethical investment policies and avoid investing in companies which engage in the production of armaments, tobacco or alcohol, in the testing of products on animals or which have fallen behind in the transition to a low carbon economy, or derive more than 10% of their revenue from oil and gas extraction and also a range of other restrictions.

The investment in one fund managed by one investment manager is an inherent risk. Other than ethical investment limitations, there are no limits on where the fund may invest and some of the assets may be invested in emerging markets, in overseas markets, in currencies other than Sterling and in other collective investment schemes. All of these carry certain risks but the manager employs a risk management process including appropriate stress-testing to enable it to identify such risks and take appropriate remedial action.

The units in COIF Ethical Investment Fund are not quoted on any recognised stock exchange. Because of this and, as a substantial part of the underlying investments is in property, the fund should be regarded as illiquid. Selling units is achieved by giving notice to the manager prior to the dealing day (normally each Thursday) at the latest bid price as valued by the manager. The Fund is not covered by the Financial Services Compensation Scheme (FSCS).

Realised and unrealised gains and losses

Realised gains and losses on investments managed by Barclays Wealth were calculated in previous years as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Following the change in investment manager during the previous year there will be no further such realised gains or losses.

Unrealised gains or losses relating to the COIF units are calculated as the difference between the unit bid price at the beginning of the year plus the cost of units purchased during the year and the closing unit bid price at the end of the year.

Unrealised investment gains and losses are and credited or debited in the Statement of Financial Activities.

Permanent endowment funds

The freehold property was gifted to the charity which has no power to convert the capital it represents into income and it is therefore not available for distribution. This fund has therefore been designated by the Trustees as a permanent endowment fund. It produces no income as such and the only expense in previous years was the annual depreciation charge provided on the buildings.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Principal accounting policies (continued)

Year ended 31 December 2020

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. At present, the Trust has no such funds.

Unrestricted Funds

These funds are available for the furtherance of the charity's objects. The Trustees have designated certain amounts for specific purposes and the details of this are given in Note 14 to the accounts.

Services provided by members of the Congregation

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are the valuations attributed to freehold property and the commitment to provide pension income to retired Sisters of the Order.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Notes to the Accounts

Year ended 31 December 2020

Unrestricted funds

2020	2019
£	£

1 Investment income and interest receivable

Equities, unit trusts and fixed interest investments	-	264,315
Bank deposit interest	114	2
Rebates received from investment manager CCLA	18,869	5,810

18,983	270,127
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2 Charitable donations

The Congregation's Mother House in support of the Congregation's work overseas	15,070	258,969
The Congregation's Sisters in Sri Lanka	-	-
The Congregation's Sisters in Pakistan	-	-

15,070	258,969
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3 Care of the elderly

Payroll and Contract staff (Note 7)	293,815	289,975
Premises	26,124	18,493
Supplies and services	40,517	51,981

360,456	360,449
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4 Support of the members of the Congregation and their ministry

Premises	10,745	7,863
Sisters' living and personal expenses	14,947	21,493

25,692	29,356
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5 Other costs

Bank charges and sundry costs	1,269	1,197
Legal and professional fees	11,333	10,090

12,602	11,287
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6 Net income for the year before net investment gains or losses

This is stated after charging:

Auditor's remuneration (excluding VAT):		
Audit services	5,550	5,000
Other services	950	750
Depreciation	1,120	1,120

The Congregation of the Dominican Sisters of Malta Charitable Trust

Notes to the accounts

Year ended 31 December 2020

	Unrestricted funds	
	2020	2019
	£	£
7 Staff costs and Trustees' remuneration		
Contract staff (care of the elderly)	5,123	1,528
Payroll	269,888	269,097
Social security costs	13,537	15,094
Pension contributions	5,267	4,256
	<u>293,815</u>	<u>289,975</u>

The average number of contract staff during the year was 1 (2019 - 1), the average number of employees was 12 (2019 - 10) and the average number Sisters working in the home was 6 (2019 - 6).

As members of the Congregation, the Trustees living and personal expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees during the year (2019 - £Nil).

8 Taxation

The Congregation of the Dominican Sisters of Malta Charitable Trust is a registered charity and is therefore not liable to UK taxation on income or gains derived from its charitable activities. VAT is not recoverable and is therefore included in the expenditure heading for which it was incurred.

9 Tangible fixed assets

	Freehold land and buildings	Fixtures fittings & equipment
Cost or valuation		
At 1 January 2020	2,500,000	5,590
Additions	-	-
At 31 December 2020	<u>2,500,000</u>	<u>5,590</u>
Depreciation		
At 1 January 2020	1,000,000	3,360
Provided in year	-	1,120
At 31 December 2020	<u>1,000,000</u>	<u>4,480</u>
Net book values		
At 31 December 2020	<u>1,500,000</u>	<u>1,110</u>
At 31 December 2019	<u>1,500,000</u>	<u>2,230</u>

The freehold land and buildings are included in the accounts at a valuation arrived at in 1996 which, under the provisions of FRS 102, has been adopted by the Trustees as the deemed cost of the asset. No value was placed on the land at that time and no further valuations will be carried out. The cost of alterations and additions to the fabric of the building are written off as incurred.

The buildings had previously been depreciated at 2% per annum on a straight line basis but no further depreciation will be provided from 1 January 2019 as the Trustees have ascertained that the residual value of the freehold land and buildings exceeds their original deemed cost. The Trustees do not consider it necessary to reverse the depreciation previously provided.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Notes to the accounts

Year ended 31 December 2020

	2020 £	2019 £
10 Investments		
Listed investments managed by Barclays Wealth		
Market value at 1 January	-	15,819,009
Purchases	-	2,041,589
Disposals	-	(19,158,116)
Net realised gains on disposals	-	1,297,518
	-	-
Investment managed by CCLA:		
Market value at 1 January	19,199,744	-
Purchases	5,440	17,678,406
Units purchased from CCLA rebates	18,869	5,810
Disposals	-	(150,000)
Net increase in unrealised gains	1,877,300	1,665,528
Market value at 31 December	21,101,353	19,199,744
Cost of investments at 31 December	17,558,525	17,534,216
Realised and unrealised gains in the year:		
Net realised gains	-	1,297,518
Net unrealised gains	1,877,300	1,665,528
	1,877,300	2,963,046
Investments held at 31 December comprised the following:		
COIF Charities Ethical Investment Fund accumulation units	21,101,353	19,199,744
Total unrealised gains at 31 December included in the valuations above	3,542,828	1,665,528

The COIF Charities Ethical Investment Fund was established and regulated by the Scheme (as amended) dated 8 October 2009 and sealed by The Charity Commission as a Common Investment Fund under section 24 of the Charities Act 1993 (now section 96 of the Charities Act 2011). It is managed by CCLA as an unregulated collective investment scheme and as an unauthorised alternative investment fund in accordance with the Financial Conduct Authority Regulations and the AIFMD Legislation.

Units in the COIF Charities Ethical Investment Fund are not dealt on any recognised stock exchange but can be sold by depositing a Renunciation Form with CCLA on the business day before a dealing day (normally on a Thursday each week) at the latest bid price as valued by CCLA.

Distributions are not made to holders of accumulation units but distributions allocated to accumulation units are accumulated within the fund and are reflected in the bid price of the units.

The fund should be considered illiquid and it is not covered by the Financial Services Compensation Scheme (FSCS).

The investment manager makes quarterly rebates to investors that have more than £10m invested in accumulation units of COIF Charities Ethical Investment Fund to compensate for the otherwise disproportionately high cost of its management charge. The trustees have given a standing instruction that such rebates be reinvested in additional accumulation units.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Notes to the accounts

Year ended 31 December 2020

	2020 £	2019 £
11 Debtors and prepayments		
Other debtors	-	1,680
Prepayments	3,413	3,651
	<u>3,413</u>	<u>5,331</u>
12 Creditors: Amounts falling due within one year		
Bank overdraft	10,239	19,068
Sundry creditors	2,785	7,689
Income received in advance	6,277	-
Accruals	7,800	6,900
	<u>27,101</u>	<u>33,657</u>

13 Designated funds

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

	Retirement reserve
At 1 January 2020	4,810,000
Addition to reserve	1,985,750
At 31 December 2020	<u>6,795,750</u>
Total designated funds:	
At 31 December 2020	<u>6,795,750</u>
At 31 December 2019	<u>4,810,000</u>

The retirement reserve consists of monies which the Trustees have set aside in order to provide for all the Sisters of the Order in their retirement. The fund has been calculated on actuarial principles to provide for the Congregation's Sisters worldwide and is reviewed annually.

The Congregation of the Dominican Sisters of Malta Charitable Trust

Notes to the accounts

Year ended 31 December 2020

14 Summary of fund movements

	General Fund	Permanent Endowment Fund
	£	£
Balances at 1 January 2020	19,291,936	1,500,000
Income	674,449	-
Expenditure	(413,820)	-
Investments gains and losses	1,877,300	-
Balances at 31 December 2020	<u>21,429,865</u>	<u>1,500,000</u>

The Designated Fund was increased by £1,985,750 during the year to £6,795,750.

15 Analysis of net assets between funds at 31 December 2020

	General funds	Designated funds
	£	£
Tangible fixed assets, investments and cash awaiting investment	14,306,713	6,795,750
Net current assets	327,402	-
	<u>14,634,115</u>	<u>6,795,750</u>
		Permanent endowment funds
		£
Fixed assets - freehold property		<u>1,500,000</u>
Total net assets	<u>22,929,865</u>	

16 Ultimate control

The charity, which constitutes a Trust, was controlled throughout this and the previous period by the Superior of the English community of the Congregation of the Dominican Sisters of Malta by virtue of the fact that, under the terms of the Trust Deed, the Superior of the community has power to appoint or remove any Trustee.