

**ENGLISH PROVINCE OF THE
AUGUSTINIAN SISTERS
SERVANTS OF JESUS AND MARY
TRUSTEES' REPORT AND ACCOUNTS
YEAR ENDED 30 JUNE 2021**

Registered Charity Number: 256054

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

SERVANTS OF JESUS AND MARY

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES	Sister Atanasia Buhagiar (to 21 November 2021) Sister Maria Buhagiar Sister Rachel Ann Frendo Sister Rita Mangion (appointed 21 November 2021) Sister Maria Anna Micallef (to 21 November 2021) Sister Mariella Ebejer
PROVINCIAL SUPERIOR	Sister Rachel Ann Frendo
PRINCIPAL OFFICE	83 Clapham Road The Oval London, SW9 0HY
NAMED CORRESPONDENT WITH THE CHARITY COMMISSION	Sister Maria Buhagiar (see Principal Office address)
CHARITY REGISTRATION NUMBER	256054
GOVERNING INSTRUMENT	Trust Deed dated 21 May 1968 Charity Commission scheme dated 1 July 1998
INDEPENDENT EXAMINER	Olayinka Tomori Regus House Admirals Park Victory Way Dartford DA2 6QD Regus House
SOLICITORS	Judge Sykes Frixou York House 23 Kingsway London WC2B 6YF
PRINCIPAL BANKERS	Barclays Bank Plc Clapham Common Branch PO Box 4038 London SW12 9YB
INVESTMENT POWER	Under the Society's Trust Deed it has power to invest in any investments authorised by law for the investment of trust funds. Donations received may be invested in investments authorised by the donor.

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

SERVANTS OF JESUS AND MARY

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Augustinian Sisters Servants of Jesus and Mary is an international religious order with a branch in Great Britain. The branch is administered by the Mother Superior together with the other Trustees. The power of appointing new Trustees is vested in the Superior and the Trustees administer the Charity. All Trustees are drawn from the membership of the religious order. The size of the charity means that little delegation by the Trustees is called for.

The Governing Instrument of the Charity, a Trust Deed dated 21 May 1968 and Charity Commission scheme dated 1 July 1998 state its objectives as follows:

“To apply the funds as capital or income for such charitable purposes as shall advance the religious and other charitable work of the Province of the Society which includes England as the Trustees with the approval of the Superior shall from time to time think fit and if at any time the Society shall cease to exist or shall cease to carry on religious or other charitable work in such Province then for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the Trustees shall determine.”

The Trustees are responsible for the policies, activities and assets of the Charity. They meet as the need arises, to review developments in connection with the Charity and its activities and to make important decisions. As members of the religious order all Trustees are well-versed in the charism, or ethos, of the order and the objectives and activities of the charity. They keep abreast of developments in charity-related matters as appropriate and seek the advice of the Charity’s professional advisors, including accountants and solicitors, as required.

POLICIES AND ACTIVITIES

It is the policy of the Charity to undertake a range of charitable activities. There have been no material changes in policy during the last year. The principal areas in which the Charity is involved are set out below:

1. Guest Accommodation

Part of the accommodation at 83 Clapham Road is used to accommodate guests. These include Maltese nationals coming to London for medical treatment, along with their relatives, as well as those wishing to visit London, with room for up to 40 guests. During their stay, the sisters provide counselling and spiritual support. However the low number of sisters means that there is a practical restriction on the number of guests that can be accommodated.

2. Pastoral work of sisters

In addition to providing Guest Accommodation, the sisters of the order carry out pastoral duties. This includes parish ministries, providing Religious Education classes for young people and support of the local community together with a variety of chaplaincies, including a voluntary chaplaincy at King’s College Hospital. Alms are also given to people in severe financial need.

3. Missions

The English Province makes grants to support the work of the international religious order in poorer countries. During the year to 30 June 2021 the charity made grants totalling £1,000 (2020: £5,116), comprising the following sums:

- Nigeria Mission – £1,000 (2020: £5,116) for the general support of a local Catholic Church

The Trustees have been successful in setting up a new legal entity to convert the Charity into a Charitable Incorporated Organisation. It is envisaged that the net assets of the Charity will be transferred to the new entity from 1 July 2022.

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PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF DEVELOPMENTS DURING THE YEAR AND COVID-19 PANDEMIC

The year was one that fell right in the middle of the global pandemic which resulted in a significant reduction in the level of activities undertaken. The number of guests and retreatants catered for was down to bare minimum levels as the lockdowns had an impact on those who could come from Malta to the UK for medical treatment. Other pastoral work and missions were also significantly constrained as a result. Most of the structural and renovation works had been completed in the prior financial years so the pandemic did not result in the delay of any substantial work on the property.

The Trustees are committed to maintaining the activities currently undertaken. The principal factor limiting the scope for expansion continues to be the lack of new vocations to the Congregation. This also has an effect on the long-term finances of the charity.

All members of the Congregation give their lives to its work and take vows of poverty whilst the Congregation provides for their temporal needs. This means that the charity has a long-term commitment to provide for the sisters both during their working lives, which normally continue long past retirement age, and in sickness and old age. It is therefore the aim of the Trustees to accumulate sufficient funds to make adequate provision for sisters in the long-term as and when circumstances permit.

FINANCIAL REVIEW OF THE YEAR

Total receipts for the year were down substantially on the previous year at £81.4k (2020: £174.2k), simply due to the impact of the Covid-19 pandemic which brought activities to a virtual halt from April 2020 through most of 2021 when the Charity was unable to welcome any guests.

Total payments were £84.7k from £317.5k in 2019-20. Substantial refurbishment works costing over £218k were undertaken on the charity's main property in 2019-20 with further reductions in costs arising from inactivity due to the pandemic. Other than minor repairs, there were no substantial capital works undertaken in 2020-21.

The net result was that there was an excess of payments over receipts of £3.4k (2020: excess receipts over payments of £143.3k).

There were no receipts for specific purposes (Restricted Funds) in the period under review of the preceding period.

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

RESERVES

At 30 June 2021, the charity's cash reserves stood at just under £883.3k. These represent the "free reserves of the charity. In addition, it owns fixed assets, which principally consist of its property, which had a net book value of £337.1k. The market value of this property is, in the opinion of the trustees, considerably higher than this sum but the property is not realisable because it is needed for the ongoing work of the sisters in England.

The charity has a long-term commitment to care for sisters in sickness and old age and the Trustees estimate that free reserves in the region of £1.5m would be needed to fund this commitment fully. It is their intention to endeavour to accumulate funds in the longer term, as circumstances permit, to bring actual reserves up to what they consider to be the target level. In addition, the charity needs to ensure that it has sufficient funds to continue to maintain its building in a proper state of repair and there are increasing needs to be met in connection with the Congregation's work overseas.

POST BALANCE SHEET EVENTS – COVID-19 PANDEMIC

The global pandemic has impacted upon most sectors of society and it has clearly had an adverse effect on the income and activities of the charity. The charity was unable to welcome guests virtually all through the financial year and thus its ability to generate income fell substantially. This has had a knock-on effect on the support that the Charity provides to local and overseas missions, although this is not substantial. However, it still has an adverse impact on the work of the Congregation around the world.

Given the inherent uncertainties with the pandemic, the exact financial impact of the pandemic continues to be difficult to assess with any high level of confidence. However, the trustees are of the opinion that, given the above measures available to them and the relatively high level of reserves the charity holds, it will, with careful financial management, be able to meet all of its financial obligations and commitments for the foreseeable future. Thus, they consider that the charity remains a Going Concern.

FUTURE PLANS

Following the significant expenditure refurbishing the Charity's main property in 2020, the trustees do not plan to carry out any substantial refurbishment work other than updating the facilities in two rooms and any other routine repairs and maintenance work.

The trustees have completed the process of updating the charity's constitutional arrangements (conversion to a Charitable Incorporated Organisation – CIO) with appropriate professional advice and it is planned that the CIO will commence running the activities of the Charity from 1 July 2022. There are however no plans to make any significant changes to the operations of the charity. The Sisters will continue with their pastoral and other ministries and to provide financial support for the work of the Congregation overseas.

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

SERVANTS OF JESUS AND MARY

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis;
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the Trustees on 26 April 2022 and signed as authorised on their behalf by:

Sister Maria Buhagiar
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS
SERVANTS OF JESUS AND MARY**

I report to the trustees on my examination of the accounts of the above charity for the year ended 30 June 2021.

RESPONSIBILITIES AND BASIS OF THE REPORT

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or

I have no concerns and have come across no other matters in connection with my examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Olayinka Tomori
FCA, DChA

Regus House
Admirals Park
Victory Way
Dartford
DA2 6QD

27 April 2022

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

SERVANTS OF JESUS AND MARY

RECEIPTS & PAYMENTS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Total £	2020 Total £
RECEIPTS			
Receipts and donations from guests & students		54,304	147,670
Sisters' salaries donated		25,369	22,815
Other donations		-	-
Interest receivable		1,754	3,735
		<u>81,427</u>	<u>174,220</u>
PAYMENTS			
Charitable activities	2		
Activity costs		68,321	83,178
Community costs		5,895	7,759
Missions and charitable gifts		4,642	7,731
Administration Expenses		6,003	553
		<u>84,861</u>	<u>99,221</u>
Fixed asset additions		-	218,256
		<u>84,861</u>	<u>317,477</u>
Excess of (Payments over Receipts) / Receipts over Payments		(3,434)	(143,257)
Cash at Bank & In Hand			
Brought forward		886,734	1,029,991
Carried forward		<u><u>£883,300</u></u>	<u><u>£886,734</u></u>

Approved by the Trustees on 26 April 2022 and signed on their behalf by

Sister Maria Buhagiar
Trustee

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS

SERVANTS OF JESUS AND MARY

STATEMENT OF ASSETS & LIABILITIES

AS AT 30 JUNE 2021

	2021 Total £		2020 Total £	
CASH AT BANK & IN HAND				
Deposit Accounts	873,320		863,633	
Current Accounts and cash in hand	9,980		23,101	
	<u>£883,300</u>		<u>£886,734</u>	
OTHER MONETARY ASSETS				
Prepayments - Council Tax	£-		£1,660	
	<u>£-</u>		<u>£1,660</u>	
LIABILITIES				
Accruals				
Independent examination and accountancy fees	2,760		5,980	
Other	-		-	
	<u>£2,760</u>		<u>£5,980</u>	
FIXED ASSETS				
	Land and Building £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost				
At 1 July 2020	481,071	149,230	20,338	650,639
Additions	-	-	-	-
At 30 June 2021	<u>481,071</u>	<u>149,230</u>	<u>20,338</u>	<u>650,639</u>
Depreciation				
At 1 July 2020	110,032	136,370	20,338	266,740
Charge for the year	33,906	3,209	-	37,115
At 30 June 2021	<u>143,938</u>	<u>139,579</u>	<u>20,338</u>	<u>303,855</u>
Net book value				
At 30 June 2021	<u>£337,133</u>	<u>£9,651</u>	<u>£-</u>	<u>£346,784</u>
At 30 June 2020	<u>£371,039</u>	<u>£12,860</u>	<u>£-</u>	<u>£383,899</u>

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS SERVANTS OF JESUS AND MARY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the Charities Act 2011 and Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis.

Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading.

Fixed assets are shown in the Statement of Assets and Liabilities at original cost.

Irrecoverable VAT is included with the category of expense to which it relates.

Tangible Fixed Assets

Properties are shown at cost, less depreciation, and are considered by the Trustees to have a value higher than the resulting net book value. However, this value cannot be realised as all of the property is required for the purposes of the charity. Acquisitions of fixed assets of £1,500 or less are written off in the year the expenditure is incurred.

Depreciation, which is not shown in the Statement of Receipts and Payments, is calculated by the straight line method to write off the cost, less anticipated residual value, over the expected useful lives of assets as follows:

Freehold buildings - 50 years
Freehold land - Nil
Improvements to freehold buildings – 5 to 20 years
Furniture and equipment - 5 years
Motor vehicles - 4 years

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS SERVANTS OF JESUS AND MARY

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

2. DETAILS OF EXPENDITURE

	2021	2020
	£	£
Activity direct costs		
Council tax and water rates (net of refunds)	5,453	3,797
Insurance	8,813	8,816
Gas and electricity	11,971	11,753
Telephone	1,483	2,793
Repairs and maintenance	11,350	13,406
Chapel expenses	-	-
Provisions	15,013	17,823
Laundry	10,407	14,856
Household	3,831	9,934
	<hr/> 68,321	<hr/> 83,178
Communities costs		
Travel and motor car expenses	1,228	2,939
Miscellaneous expenses (incl. Visa applications)	412	1,552
Printing, postage and stationery	1,289	287
Training expenses	2,966	2,981
	<hr/> 5,895	<hr/> 7,759
Mission and charitable gifts		
Overseas missions of the Congregation (Note 3)	1,000	5,116
Alms and donations	3,642	2,615
	<hr/> 4,642	<hr/> 7,731
Administration Expenses		
Accountancy & Independent examination (see Note 4)	5,880	-
Legal fees	-	-
Bank charges	123	553
	<hr/> 6,003	<hr/> 553
Capital expenditure	<hr/> -	<hr/> 218,256
	<hr/> £84,861	<hr/> £317,477

ENGLISH PROVINCE OF THE AUGUSTINIAN SISTERS SERVANTS OF JESUS AND MARY

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

3. MISSIONS AND CHARITABLE GIFTS

	2021	2020
	£	£
Mother House - Rome	-	-
Nigeria	1,000	5,116
Philippines	-	-
	<u>£1,000</u>	<u>£5,116</u>

4. INDEPENDENT EXAMINER'S FEES

	2021	2020
	£	£
Fees for 2018/9 - paid in year ended 30 June 2021		
Independent Examination	-	1,250
Accountancy	-	1,450
Advisory services	-	180
	<u>-</u>	<u>2,880</u>
Fees for 2019/20 - paid in year ended 30 June 2021		
Independent Examination	-	1,450
Accountancy	-	1,550
	<u>-</u>	<u>3,000</u>
Fees as charged for 2020/21 - unpaid at 30 June 2021		
Independent Examination	1,200	-
Accountancy	1,260	-
Advisory services	300	-
	<u>£2,760</u>	<u>£5,880</u>