

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

England & Wales · Charity number 288158

Details

Other names	THE SISTERS OF MERCY OF THE UNION OF GREAT BRITAIN
Status	Registered
Legal form	Trust
Registered	1983-11-30
Register	View on the Charity Commission register

Contact

Address	Mercy Union Generalate 11 Harewood Avenue London NW1 6LD
Phone	02077233221
Email	admin@mercyunion.org.uk
Website	sistersofmercyunion.org.uk

Activities

Objects: THE PROMOTION OF RELIGION AND EDUCATION IN ACCORDANCE WITH THE DOCTRINES OF THE ROMAN CATHOLIC CHURCH AND FOR ANY OTHER CHARITABLE PURPOSE WHICH SHALL ADVANCE THE RELIGIOUS EDUCATIONAL AND OTHER CHARITABLE WORK FOR THE TIME BEING CARRIED ON DIRECTED OR SUPPORTED BY THE SOCIETY.

Activities: We carry out our Mission of Mercy inspired by the Gospel values and guided by the charism of the Congregation which is to benefit the public, particularly women and children and those who are poor. This commitment is manifested in:-? Social and Pastoral works-? Residential Care Homes-? Education-? Overseas Missions

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** The General Public/mankind

Geography

- Lebanon
- Nigeria
- Romania
- Scotland
- South Africa
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,472,959	£6,676,616	£72,031,523	73
2024-03-31	£5,978,786	£6,765,546	£72,768,828	128
2023-03-31	£5,867,002	£6,894,063	£70,408,670	89
2022-03-31	£5,548,125	£6,059,429	£74,265,149	89
2021-03-31	£6,342,686	£5,663,414	£72,476,381	122

Trustees

Name	Role	Appointed
SISTER GERALDINE LAWLOR		
Sister Annette McCartan		2021-11-01
Sister Johanna Moloney		2021-11-01
Sister Margaret Veronica Jones		2021-11-01
Sister Mary McGrath		2021-11-01

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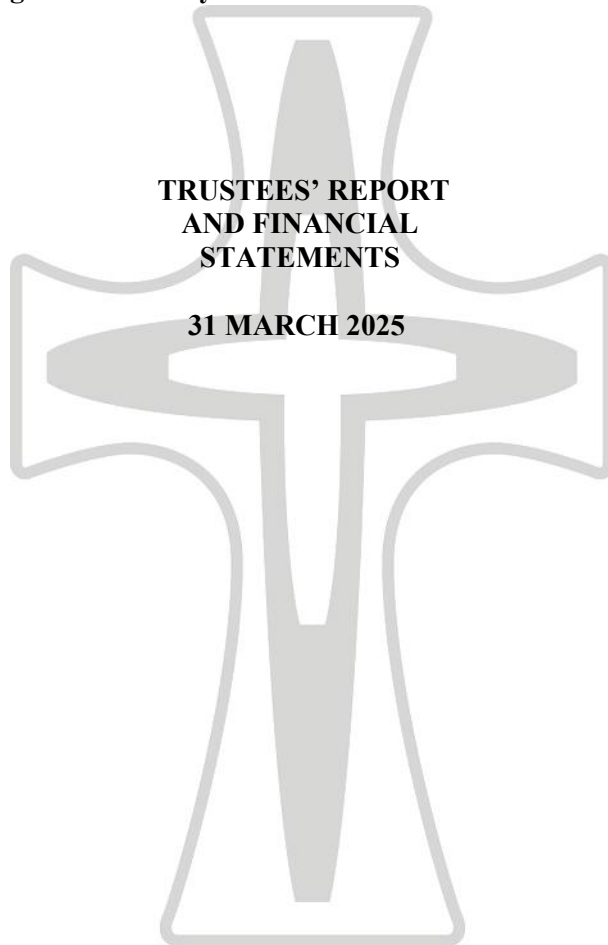
Accounts

**THE UNION OF THE SISTERS OF
MERCY OF GREAT BRITAIN**

**(Registered Charity Number in England and Wales: 288158)
(Registered Charity Number in Scotland: SCO39153)**

**TRUSTEES' REPORT
AND FINANCIAL
STATEMENTS**

31 MARCH 2025



**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

REFERENCE AND ADMINISTRATIVE DETAILS

Name:	The Union of the Sisters of Mercy of Great Britain <i>(We are also known as Sisters of Mercy of the Union)</i>	
Governing Instruments:	Trust Deed dated 29 September 1991	
Address:	Mercy Union Generalate 11 Harewood Avenue London NW1 6LD	
Charity Commission No:	England and Wales	288158
	Scotland	SCO39153
The Trustees who served during the year are:	Sister Geraldine Lawlor (Superior) Sister Margaret Jones Sister Mary McGrath Sister Annette McCartan Sister Johanna Moloney	
The Finance Director to the Trustees is:	Mr Alan Wraight	
The General Bursar to the Congregation is:	Sister Maureen McNamara	
The Property Surveyor to the Trustees is:	Mr Brian Kervick	
The Solicitors are:	Knights Professional Services Ltd Level 13, The Blade Reading RG1 3BE	
The Independent Auditors are:	HaysMac LLP 10 Queen Street Place London EC4R 1AG	
The Investment Advisers:	Rathbone Group plc 30 Gresham Street London EC2V 7QN	BlackRock 12 Throgmorton Avenue London EC2N 2DL
The Bankers are:	Bank of Ireland PO Box 2124 Belfast BT1 9RS	
Investment Powers:	There are no restrictions on the powers of investment.	

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice For Charities (SORP 2015) (Second Edition), effective 1 January 2019.

INTRODUCTION

The Congregation of the Sisters of Mercy was founded by Catherine McAuley in 1831 in Dublin, Ireland. The Union of the Sisters of Mercy, who number seventy-three Sisters, have Convents throughout England, Scotland and Wales and Residential Care Homes in England and Wales. Historically, Convents of Mercy have considerable autonomy in the conduct of their day-to-day affairs. The Leadership Team, who are the Trustees, supervise and control the activities of the Charity. Each Convent and Care Home send accounts to the General Bursar who, with the Finance Director, supports the Trustees in their management of the assets of the Charity.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Every five years, representatives of the Congregation meet in General Chapter with a twofold purpose:

- to set the direction for the next five years;
- to elect a Congregational Leader and Team to implement decisions made.

The Leader and Team are responsible for the pastoral care of the members and make regular visits to each community. The purpose of these visits is to provide support for the Sisters in their personal lives and in their ministry.

The Charity is governed by a Trust Deed dated 29 September 1991 and is a registered charity – Charity Registration Number 288158 and SCO39153 in Scotland. The Trustees were incorporated as a body under a Certificate of Incorporation issued by the Charity Commission on 25 June 1984. The Trustees of the Charity are the elected Leadership Team members of the Congregation and, therefore, have a good knowledge of the work of the Charity and its structure.

GDPR – Update 2025

After considerable work and consultation, an updated Privacy Notice will shortly be signed off by the Trustees and will be made available on the website.

The names of the Trustees who served during the year are set out as part of the reference and administrative details on page 1 of this report. The Trustees bring to their role a wide variety of leadership and management experience gained in their professional lives and through membership of Boards. They usually attend lectures, conferences and workshops that equip them for their current role. During the financial year covered by the report, we have attended the following courses via Zoom and in person:

Trustee responsibility conferences:

- Safeguarding Leads Zoom Meeting (Religious Life Safeguarding Service (RLSS)).
- Safeguarding Trustee Training (RLSS).
- Investment Managers Meetings with Trustees – Blackrock / CCLA Investment Management / Rathbones.
- IBB Solicitors (now Knights) Annual Charity Update.
- Archives meeting: Institute, Federation, Union and Ireland (Sisters of Mercy (IFUI)), Dublin/Bermondsey
- Meeting with HR Support.
- HaysMac “Catholic Charity Conference.”
- Bursars Conference.
- Conference of Religious (CoR) and Catholic Safeguarding Standards Agency (CSSA) Zoom re Safeguarding Audits.

Working with Other Organisations / Engaging with Other Professionals

- Institute, Federation and Union (other Mercy Congregations in the UK) meeting, Zoom.
- CoR Meetings, Euston.
- CoR AGM.
- Mercy International Association (MIA) Zoom Meeting and, in person, in Dublin.
- ACRM of Conference of Religious Scotland (CRS) and Annual Safeguarding CRS/National Scotland.
- Regular Board meetings with St Michael's Care Home/St Teresa's Rest Home.
- Meeting with Staff/Residents/Families at St Teresa's Rest Home.
- Care Inspectorate Wales (CIW) Meeting re St Teresa's Rest Home.
- Zoom with HR: Governance/planning ahead.
- Mercy Global Action Emerging Leaders Fellowship (MELF) on Zoom.
- International Union of Superiors General (UISG) Meeting.

Caring for the Environment

- Zoom on Care and Custody of Creation, CRS.
- Haysmacintyre "The climate crisis- sustainable development."

General topics:

- Synodal Process (UISG).
- Zoom for Superiors General: Conflict Resolution (UISG).
- Conference of Religious: Elder Care.
- Zoom meeting "Looking afresh at the vows" (UISG).
- Anti-Slavery Conference for Religious at the Medaille Trust.

Individual Trustee Attendance:

- Zoom courses for Congregational Leaders, Rome (UISG).
- North London Support Meeting for Congregational Leaders.
- Union of International Superiors General (UISG) on Zoom and in person, in London.
- MIA Conference for Major Superiors.
- CoR Charity Governance – Civil Law and Canon Law.
- CoR Delivery of Care for our Sisters
- National Safeguarding Conference, Strathclyde University.
- RLSS AGM.
- Scottish Catholic Safeguarding Training.
- Catholic Safeguarding Standards Agency (CSSA) Zoom meeting – New Contracts.
- Meeting support North London Province Daughters of Charity.
- Pilgrims of Hope on Zoom.
- CRS Safeguarding Forum, Carfin.
- CRS AGM.
- CoR Charity and Governance, Birmingham.
- Change management for Religious Life – living into Change (UISG).
- Update on Safeguarding Standards (CSSA).
- RLSS new structure.

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet once a month in person and, when necessary, on Zoom to review developments with regard to the Charity and its activities and make appropriate decisions following their review of property, finance, personnel and future needs. The Trustees seek professional advice when making decisions concerning the assets of the Charity. They engage the following professionals:

- Solicitors
- Surveyors (valuation and building)
- Investment Managers
- Accountants
- Health Care Specialists
- HR Consultant
- Insurance Brokers
- Safeguarding Lead

The day-to-day management of the Charity's activities and implementation of policies is handled by the Trustees, General Bursar, Finance Director and Surveyor.

WORKING WITH OTHER ORGANISATIONS

In order to carry out its mission, the Charity works closely with other charities and public bodies. Working collaboratively with other agencies and charities is of significance to the Trustees. By doing so, the members of the Congregation are able to minister across a wider spectrum of society. Some of the organisations with which members have been engaged are:

- 11 Dioceses of the Roman Catholic Church.
- The Lodging House Mission, Church of Scotland/The Marie Trust, Glasgow.
- Care Inspectorate Wales (CIW).
- Care Quality Commission (CQC), England.
- Education Authorities.
- Other Mercy Congregations in the UK and overseas.
- Other Religious Congregations both male and female.
- RLSS and CSSA: Committed to a safer Catholic Church.
- Scottish Catholic Safeguarding Standards Agency (SCSSA).
- Irish Chaplaincy.
- Verne Prison.
- Saint Vincent de Paul Society.

FUNDRAISING

The charity receives donations from the general public but does not actively solicit funds for its activities either directly with the public or through the use of any third-party fundraisers. No complaints were received during the year.

RISK MANAGEMENT

The Trustees have instituted a risk review programme to identify major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees will continue to review major risks on an annual basis. In particular:

Operational risk

As well as providing care and support for its own members within its own communities, the Charity also owns and operates care homes which are available to members of the public. (N.B. St Teresa's Rest Home closed in July 2024 and is now no longer in operation). These care facilities are subject to regulation by the Care Quality Commission (CQC) and the Care Inspectorate Wales (CIW). To ensure compliance with the requirements of these bodies, the Trustees and senior management are required to attend seminars to alert them to any changes in requirements. If necessary, the Trustees engage a consultant in care home management to support themselves and local management and engage an experienced HR Consultant to assist with all employment matters.

Additionally, the Trustees have engaged the services of the Risk Management Department of their

Insurance Brokers to undertake the Risk Assessment requirements of all their larger establishments.

Financial risk

The age profile of the members is increasing and there is an obligation to financially provide for them in retirement, especially those requiring care in old age. A designated fund has been formed to hold a professionally administered portfolio of investments sufficient to provide an income to achieve this.

Missionary risk

The Mission Statement commits the Congregation to work to alleviate poverty. In furtherance of this, with the number of members able to directly participate in this mission declining, the Trustees have designated a donations fund comprising of a professionally administered portfolio of investments. Income arising is designated for charitable grants and the Trustees receive regular reports to monitor expenditure and ensure it is consistent with its intended purpose.

OBJECTS

The Objects of the Charity are the advancement of religious and other charitable work, for the time being, carried on by, or under the direction of, The Union of the Sisters of Mercy of Great Britain ("charity") as the Trustees, with the approval of the Superior of the Congregation, shall from time to time think fit. If at any time the charity shall cease to exist or shall cease to carry on, or direct, any charitable work, then the Object shall become such lawful charitable purposes connected with the advancement of the Roman Catholic Religion, as the Trustees shall decide.

MISSION STATEMENT

"We, The Union of the Sisters of Mercy, in the spirit of Catherine McAuley, commit ourselves to be mercy to all, with a preferential option for the poor. We embrace the challenge of new ministries and will explore creative ways of sharing our life with others, for the sake of the Kingdom."

We carry out our Mission of Mercy inspired by Gospel values and guided by the charism of the Congregation which is to benefit the public, particularly women and children and those who are poor. This commitment is manifested in the activities of the Charity.

PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to public benefit guidance published by the Charity Commission in determining the objectives for the year and the activities undertaken by the Charity.

The Charity Commission in its "Charities and Public Benefit" Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity and the activities reported on to achieve those aims, meet these two principles.

ACTIVITIES

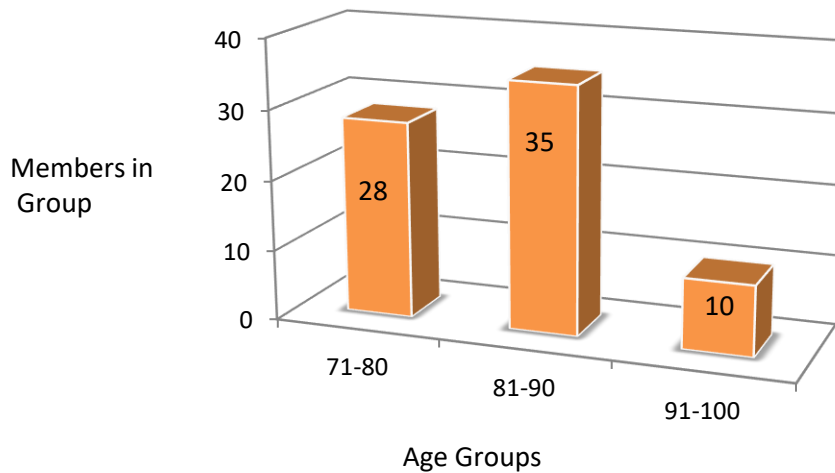
The activities of the Charity can be divided into four principal areas:

- Caring for the members of the Congregation.
- The social and pastoral work of the Sisters.
- The ownership and operation of our Care Home.
- The support of our overseas missions.

Each of these is considered in turn.

Caring for Members of the Congregation

In common with many Religious Congregations, the age profile of the members of the Congregation has changed considerably in recent years. Members are growing older and no new members have joined. On 31 March 2025 the age profile of the Congregation is shown in the following table:



The Trustees are the elected Leadership Team of the Congregation and, as such, have a particular pastoral role within the Congregation. Along with one local community leader and four pastoral care team members, who are engaged in the care of Sisters resident in St Michael's Care Home, Clacton-on-Sea, they are responsible for the full-time pastoral care of the membership.

KEY ISSUES

At our General Chapter, held in September 2021, we were given the following Key Issues to consider:

- Leadership.
- Care of our Members.
- Diminishment and Completion.
- Handing On.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted all (or a significant part) of their working lives to the ministries and outreach of the Charity. In order to enable the mission of the Charity to be fulfilled, some Sisters enjoyed a full working life of remunerated employment. Now, as the age profile of the Congregation increases, so too does the need to provide care for the members.

On 31 March 2025, 15 members of the Congregation were in residential care in the Charity's own homes and other homes.

Over the next decade, the Trustees are aware the number of members requiring care will increase and are giving careful consideration to the impact of this on its active ministry, on the financial implications for the charity and on the property requirements.

With this in mind the Trustees aim:

- to enable as many members as possible to continue in Mercy ministry;

- to ensure that members who can no longer live independently are provided for;
- to review the Charity's property in the light of the age profile and the members' future needs.

SPIRITUAL LIFE OF THE MEMBERSHIP

Members of the Congregation are given the opportunity for private prayer and reflection. Through study of the Scriptures, the documents of the Church and other resources they seek to continue their own spiritual development.

Our special commitment is to the poor and marginalised of our society, irrespective of religious beliefs. The members work closely with members of the Roman Catholic Church. They pray and celebrate with the wider community, including people of all faiths and none. They do this in a variety of ways and always by being available for those who approach them for help and support.

SOCIAL AND PASTORAL WORK

“The poor need help today, not next week”

Venerable Catherine McAuley

While our fourth vow commits us to care for the materially poor, we are conscious there are many forms of poverty. We respond as best we can and are acutely aware of the problems of homelessness, those affecting refugees, human trafficking, and those caused by mental illness, and the increasing need for dementia care.

Members of the Congregation were in ministry in many pastoral and social settings:

- Working in parishes, visiting the housebound, elderly, travellers and prisoners, and helping in catechetical programmes.
- Retreat work, spiritual development programmes and prayer groups.
- Work with the homeless.
- Pastoral care in hospitals and hospices.
- Supporting chaplaincy work in schools.
- Bereavement support.
- Justice and peace initiatives.
- Citizens UK (Birmingham).
- Interfaith Groups.
- Food Banks.

The Trustees have encouraged the members of the Congregation to stay connected with their place of ministry and to reach out to their local community, with a special concern for those who are poor and in need.

Most members minister as volunteers. Where Sisters are remunerated by way of stipend, the income is passed to the Charity and thereby ensures that the mission of the Charity may continue into the future.

MINISTRY ACCOUNTS

There follows accounts of the ministries undertaken by members in Glasgow, Fishguard and North West London.

A community in Glasgow writes:



We are two Sisters based in North East Glasgow, each committed to different aspects of ministry. One Sister is actively involved in two homeless projects—one managed by the Church of Scotland and another named in her honour, recognizing her 25 years of service and 18 years as its Director before retiring. In addition, she has a phone ministry, providing companionship and support to those unable to leave their homes. She also visits housebound individuals and offers encouragement to those recovering from various addictions.

The other Sister serves as a member of the Leadership Team, which requires her to travel to London for regular monthly meetings. Her ministry within the parish includes being involved in children's liturgy and preparing the children for the sacraments.

Both Sisters also visit a former community member who is in care of the Little Sisters of the Poor, continuing their commitment to supporting her and keeping her up to date on what is happening within the Congregation.

A community in Fishguard writes:

The Sisters of Mercy have been a presence in Fishguard for 107 years. Now we are the only two remaining in the town, however, we continue our Mercy ministry in the local parish and community.

Our work involves:

- Visiting the elderly housebound and disabled.
- Visiting the sick in hospital.
- Driving those who have no transport to appointments e.g. health centre, hospital, etc.
- Taking an active part in two dementia groups.
- Contributing to and delivering food to the Food Bank.
- Hosting the Mercy Associates' meetings.
-And many other situations which arise.

We have an open house where many people visit us in times of need, especially in bereavement and sickness, to pray with them.



Remembering our deceased Mercy Associate members



Two very popular members of our dementia group



Delivering food to the Food Bank



Enjoying each other's company and having "a ball"

A community in Northwest London writes:

There are five Sisters in our community in Northwest London, all involved in a variety of ministries:

- A Member of the Leadership Team and a Trustee of the Congregation.
- A volunteer at the Irish Chaplaincy, which involves working with prisoners, travellers and the elderly.
- Supporting and communication with the lonely and bereaved.
- Volunteering with a local Food Bank Warehouse Centre. The role involves sorting and date checking incoming stock donations, packing food parcels, and keeping the warehouse tidy. The warehouse supplies two local food banks in other areas of North West London.
- Volunteer at a Brent based Resource Centre, offering support and advice to people who are vulnerable and may have multiple needs. The role carried out by the Sister is monitoring and serving lunches to people who come to the Centre and are often living alone and lonely.

- Supporting a local parish church as full time Sacristan and Eucharistic Minister. Engaging and chatting with people in the Church who are in need of help.



MERCY ASSOCIATES

Many communities have established Mercy Associate groups. They are inspired by the vision and charism of our Foundress Venerable Catherine McAuley. The movement provides an opportunity for lay people (youth and adults, female and male, across denominations and cultures) to deepen their own prayer life and spirituality and encourages members to share in and contribute to the life and mission of Mercy in a way suited to their own lifestyle. The Mercy Groups are supported by a team of Sisters who provide resource materials to enable them to deepen their Mercy spirituality. Talks on the life and spirituality of Catherine have been recorded and are available on YouTube.

THE OWNERSHIP AND OPERATION OF CARE HOMES

The Charity currently owns and operates one Care Home for those who are infirm or aged. This home provides care for members of the Congregation, and for members of the local community. Over the years the Charity has invested significant sums of money in maintaining the home to meet the changing needs.

The Mission Statement expresses what we hope to provide at our Care Home:

***Through our Charism of Mercy and in the spirit of Catherine McAuley
we commit ourselves to serving the needs of the elderly in our Care.***

The Trustees take very seriously the demands of the Care Quality Commission (England) and work closely with the Local Government Department to fulfil their obligations. The Trustees visit regularly and are involved in interviews and appointments at management level, attend Advisory Board Meetings three times a year and are available to support the Manager, Staff and Residents.

St Michael's Care Home, Clacton-on-Sea

There are 44 beds at St Michael's purpose-built building. The property faces the promenade and the sea, and many Residents enjoy the added bonus of a sea-view.

OVERSEAS MISSIONS

The Charity has two of its members working overseas in South Africa. The Mission is financially supported by the Charity.

Mercy Mission – Addo, South Africa

Our Mercy Mission in Addo continues to serve the poor and vulnerable.

In December 2024 we held our annual summer School for over 400 children in an informal settlement. We were joined by over 40 volunteers in outreach to the children for this special week of fun and activities.

Hunger is a daily challenge for adults and children as the cost of living has soared and our soup kitchens and food parcels help those most in need.

Adult education continues through computer training; many have been able to access jobs as a result of acquiring important skills.

Our Early Childhood Education Centres serve over 250 children and local staff are trained in order to reach the required accredited standards to work with the children.

Sisters of Mercy
Addo





WORK OF THE MEMBERSHIP

“Every place has its own need which must be responded to whenever possible.”

Venerable Catherine McAuley

These words have inspired our actions and explain the variety of ministries in which the members are engaged.

Throughout the year, they have given their time to assist and support all in need through:

- Assisting people to get birth certificates and identity documents (in Addo, South Africa).
- Supporting parents with clothing and food (in Addo, South Africa).
- Providing early childhood education (crèches) (in Addo, South Africa).
- Computer Training (in Addo, South Africa).
- Prayer ministry to parishes, individuals, RCIA groups and parish administrator.
- Eucharistic and reading ministry in church.
- Visitation to the elderly, sick and housebound.
- The Congregational Website.
- Voluntary work in day centres for the homeless/ Soup Kitchens.

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

- Visits to individuals recovering from alcohol addiction and suffering from Alzheimer's disease.
- Being a Board Member for a voluntary organisation that offers counselling to homeless people.
- Running a Parent and Toddler Group/ Over 50s Club.
- Being school pastoral carers including a school governor.
- Being Secretary to the Diocesan Union of Catholic Mothers.
- Accompanying the Latin American Chaplaincy in Liturgies.
- Being a Sacristan at a local church and doing the church laundry.
- Volunteering with Irish Chaplaincy – supporting clients through listening.
- Spiritual accompaniment.
- Tours of the House (St Mary's, Birmingham).
- Telephone ministry to the travelling community.
- Citizens UK Birmingham.
- Citizens Advice surgery.
- Manresa (Jesuit) link as prayer guide.
- Being members of the Saint Vincent de Paul Society.
- The Mercy Associates – leading prayer sessions and retreat days for the associates.
- Supporting recently arrived migrants in the local area, helping them to find accommodation work and furniture.
- Providing transportation to Mass and church services.
- Working at St Peter's Hospice Shop.
- Spiritual accompaniment/facilitating meditative groups in convent and in prison.
- Ministry to vocation enquirers on behalf of the congregation.
- Bereavement support for families in preparation for a loved one's funeral.
- Being Sacramental Coordinator, preparing children for the sacraments and supporting parents and training/supporting catechists.
- Volunteering in a wellbeing centre at a local hospice.
- Being a Trustee of a national and local charity.
- Administration of the Mercy Centre, Edinburgh and keeping in touch with other agencies working with the marginalised i.e. AA etc.
- Friend catechist with SPRED (Special Religious Education Development).
- Knitting hats and scarves for seafarers

Our Foundress, Venerable Catherine McAuley, advised us:

“You should make hospitality your special care.”

and members are always ready to extend hospitality to those who visit or call.

5 Sisters are in full-time ministry of Central Leadership and find some time to:

- Support the National Mercy Associates Commission.
- Volunteer in a Hospice Shop.
- Minister in their local Parish.
- Catechesis in their local Parish.
- Spiritual Director to the Legion of Mary.

1 Sister is in full-time Community Leadership. Her primary role is the pastoral care of the Sisters in community, the co-ordination of activities within the Convent and the overall maintenance of the property. She also outreaches to the local area through:

- Shopping for the housebound.
- Supporting employees and co-workers.
- Parish support.

3 Sisters on a Pastoral Care Team share ministry to the Residents and Staff of a Care Home. They:

- Visit residents in the Home and in Hospital.
- Arrange hospital appointments for residents.
- Promote the charism of Mercy and share the Mercy story with staff and residents.
- Liaise with Management and Staff.
- Co-ordinate the spiritual activities and create opportunities for liturgical celebration in the chapel.
- Support bereaved families and are often asked to help arrange the funeral services of a deceased resident and/or lead the service at the crematorium.

2 Sisters have an additional role in supporting the work of the St Vincent de Paul Society.

4 Sisters are in ministry at the Mercy Spirituality, Heritage and Outreach Centre in Birmingham.

USE OF CHARITY PROPERTY

The 73 members of the Congregation reside at 25 locations:

17	in England
5	in Scotland
2	in Wales
1	in South Africa

Every five years, at our General Chapter we take a fresh look at our key values of hospitality, spirituality, education and mission among the people with the greatest need locally and globally in contemporary society.

In order to facilitate new and traditional ministries and the pastoral care of the Sisters we evaluate our properties and recognise when they become too large and unfit for purpose, to comply with Charity Law.

In the course of the year our properties were made available to the public for a variety of purposes, including:

- Retreats;
- Registered Care of Older People;
- Meetings of Mercy Associates;
- Interfaith Groups;
- Christian Prayer Groups;
- Hospitality and accommodation;
- Citizens UK;
- Heritage Tours;
- Support for refugees and asylum seekers;
- Providing meals for homeless people;
- Group meetings of AA and other therapeutic support organisations;
- Support for those experiencing personal trouble or anxiety;
- Social gatherings for local small communities of Sisters;
- Union of Catholic Mothers Committee Meetings;
- Neighbourhood Care Monthly Meetings;
- Manresa Link training prayer guides;
- Archival research;
- Meetings with parishioners;
- Christian meditation groups;
- Our chapels are used by members of the public daily.

SCOTLAND

The members of the Congregation living in Scotland are fully engaged in the activities of the Charity. They are involved in ministry as follows:

- To older people and the housebound;
- To homeless people;
- In hospital and hospice visiting;
- In parish support.

The properties of the Charity are available to the public for:

- A variety of group meetings;
- Days of reflection and workshops for individuals and groups.

One property in a city centre is a major provider of support for homeless people and continues to be open daily from 9.00am – 12.00 noon and 1.00pm – 5.00pm. The house is also available to regular meetings of support groups – Narcotics Anonymous, Alanon. There are also public vespers and regular meetings of volunteers, and spirituality and social outreach groups.

GRANTS AND DONATIONS

Grants and donations are decided by the Trustees. These are in response to appeals from members of the Congregation, from individuals and organisations. The Trustees make decisions according to the Trust Deed, the Constitutions of the Congregation, its Mission Statement and decisions made over the years by the assembled members. The guidelines used in making donations have been expressed at various times as follows:

- We willingly share not only our material possessions but also our friendship, our influence and ourselves, doing so as stewards, not owners (*Constitution 10*).
- The Trustees shall apply the income for the advance of the religious, educational and other charitable work (*Trust Deed*).
- Care of older people, with special concern for those who are not financially secure, and projects for homeless people (*Chapter 1992*).
- Efforts that actively discourage structures that impoverish women, children and the earth (*Chapter 1996*).

These guidelines from the members of the Congregation assist the Trustees in deciding when to make a donation to an individual, other charity or an organisation.

Some “Thank you” letters for specific donations during the current financial year were:

Migrant Help

I would like to express my deep gratitude to the Union of the Sisters of Mercy of Great Britain for your recent generous gift. Within your covering note you mentioned this donation was to enable us to support our children and young people. This is so kind of you.

Your gift will be distributed within our dedicated Children’s Fund. The children and young people that we meet have been through unimaginable hardship. Your support will go directly towards the essentials they need, this could be warm winter clothing as the weather gets colder, much needed school uniform, essential resources for enhancing their learning, bedding, items for their new bedrooms, and perhaps a care package of nice items...

Your kindness, offered on behalf of the Sisters, truly embodies the spirit of compassion that gives hope to those we serve. We are honoured to have your trust and continued support in this important, life-changing work.

On behalf of my colleagues at Migrant Help and the communities we support, thank you.

Withybush Hospital Cancer Day Unit Appeal

Please accept my heartfelt thanks for the wonderful donation given to our charity recently. It really is hugely appreciated by us and all the wonderful staff who care for their patients on the unit.

Our charity is committed to raising funds to ensure that the nursing staff and their patients will continue to have access to all they need as they pursue their own battle with this awful illness. We have contributed greatly to the overall cost of the new Unit at Withybush Hospital and we continue to be responsive to any requests for items of equipment, staff development and patient comfort items, identified by the nursing team.

We will ensure that this money is spent wisely and would like to wish you well for the future.

Make Them Smile Children's Charity

I would like to acknowledge the safe receipt of, and to also express our heartfelt gratitude for the generous grant.

We are sincerely honoured to be a recipient of your continued support.

The financial assistance provided by your grant will go a long way in helping us to achieve our goals, thank you.

Your generosity has not only eased the financial burden but also motivates and encourages us to work even harder toward our objectives.

Thank you for being a significant part of our journey and making such a meaningful impact.

Mary's Meals

Thank you so much for your precious gift to Mary's Meals.

Your kindness is bringing food, joy and hope to the children who eat Mary's Meals, allowing them to make the most of their education and giving them the chance of a better future.

We've recently witnessed the life changing impact donations like yours can have, in Ethiopia, where we have rapidly expanded our feeding programme to reach more than 110,000 children in the war-torn, drought-stricken Tigray region.

Across the world, more than 2.4 million children in 17 countries - including Ethiopia, Haiti and South Sudan – are sitting in classrooms with full stomachs and learning how to read and write. This is thanks to supporters like you.

Thank you from the bottom of our hearts for your support, which is providing children with hope and the promise of a better tomorrow. With your beautiful gift, we will strive to reach the next child waiting for Mary's Meals.

The Sanctuary – The Marylebone Project

Many thanks for your incredibly generous donation from Mercy Union Generalate...

It is wonderful to have the continued support of yourselves and we are very grateful indeed for this. Your gift will be well utilised during the coming year, enabling us to operate The Sanctuary – the only women's-only centre in London, which as you know, will be open 24 hours a day, seven days a week, 365 days of the year, for women in crisis and needing urgent help and support. Your donation will also

help us to provide 40,000 bed nights for homeless women within our accommodation facilities.

Please accept my thanks on behalf of everyone at the Marylebone Project, and all the women who will benefit as a result of your most generous contribution and continued support.

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs outline the main achievements during the year in each of the Charity's principal activities.

1. Care for the Members of the Congregation

Throughout the year the Charity continued to assist and encourage the members of the Congregation in their charitable and religious work. Some members who needed care moved to our Care Homes. The Trustees continually monitor the needs of the members and the suitability of property.

2. Social Pastoral Work

Throughout the year Sisters continued to carry out various forms of social and pastoral ministry. This activity enabled the Charity to reach out to those in need within society generally and to benefit a significant number of people.

3. Care Home

The quality of care being provided in our Home is an ongoing focus for the Trustees and management. St Michael's Care Home has a Manager and senior staff who are responsible for the day to day running of the Home.

St Michael's has a regular programme of maintenance and decoration. The requirements of the Care Standards Act 2000 has had implications for us and we have responded as required by the Inspectorates.

We have been compliant with:

- the Regulation and Inspection of Social Care (Wales) Act 2016.
- the Health and Social Care Act 2008 and the Care Act 2014 in England.

The following table summarises some of the important statistics regarding the Homes:

	St Teresa's Rest Home			St Michael's Care Home		
	2023	2024	2025	2023	2024	2025
Residents	23	22	--	43	43	43
Occupancy	94%	88%	--	98%	97.2%	99.4%
Staff – Full time (31 hours & over)	20	21	--	27	29	27
Staff – Part time (30 hours & below)	20	21	--	45	45	51

The Manager seeks for full occupancy but there are circumstances that make full occupancy difficult at times: the needs of the enquirer cannot be met; the time needed to decorate a room following a death; waiting for decisions regarding funding. The Trustees sometimes accept a less than full occupancy because they are aware that one of their members may need care soon. Such a situation is rare and full occupancy is desirable.

CARE HOME ACTIVITIES



Valentine's Day Activities (left) and, above, a visit from Remus the dog, whom residents loved



Puzzle Morning



A Christmas trip to Parker's Nurseries

FINANCIAL REVIEW

“There is very little good can be accomplished without the aid of money, we must look after it in small as well as in great matters.”

Venerable Catherine McAuley

The Statement of Financial Activities and accompanying notes give an account of the finances of the Charity and their management.

Income received during the year included:

- Members' stipends and pensions. This source of income, the most significant source at present, will continue to decline over the next decade as Sisters retire from remunerated employment and membership numbers fall.
- Care Home fees comprise both local authority and private residents' contributions. The Charity spends more on the care of the elderly than is derived from fees; the shortfall has been supported by income and capital gains on the investments of the Care Home Fund.
- Investment income comprised the remaining source of regular income.

Income from all sources totalled £5.5m (2024: £6.0m). Expenditure totalled £6.7m (2024 £6.8m). Before investment gains/(losses) net expenditure was £1.2m (net expenditure 2024: £0.8m).

Investment income was £1.9m (2024: £1.8m). There were net investment gains in the year of £0.3m (2024: £2.7m). The decision to dispose of other property and subsequent revaluation resulted in a surplus of £0.2m (2024: £0.5m). The net movement in funds was therefore a deficit of £0.7m (2024 surplus £2.4m).

Substantial donations were made in the year to the missions and charitable causes reflecting our commitment particularly to ministries with the poor, the homeless, women and children, and education. During the year £1.05m (2024: £0.95m) was incurred by the Trustees for the care of our Sisters in Residential Care. Much of this care was provided by the Care Homes of the Charity.

The Investment Portfolios of the Charity appear to be substantial in amount but are put into context by consideration of the number of Sisters of whom there are seventy-three and of the other long-term commitments of the Charity for which designation has been made in the accounts. All but a very few of the Sisters are now retired from remunerated employment and others, after a lifetime of service for the Charity, have need of residential care.

RESERVES POLICY

Total funds at the year-end stood at £72.0m (2024: £72.8m) of which £65.4m (2024: £64.9m) is designated. The Trustees feel it is necessary to designate those funds required for particular purposes and this policy is explained in full in note 12 to the accounts.

RESERVES POLICY (CONTINUED)

General funds are retained to provide resources to meet the long-term commitments of our mission, for future compliance and administration costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement, the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves.

The Trustees' target is to hold £7 million in reserve. The General Fund at the year-end stood at £6.6m (2024: £7.9m). The Trustees consider the current level of reserves, although not excessive, to be adequate for its requirements and anticipate that proceeds from a forthcoming surplus from asset sales will increase the General Fund to its approximate target.

INVESTMENT POLICY

The Charity's investments are managed as indicated on Page 1. There are no restrictions on the Charity's power to invest. The Trustees, the General Bursar and Finance Director for the Congregation meet the Investment Managers twice a year. At these meetings the performance is reviewed, the income requirement discussed, and the likely market trends presented. The Trustees have in place an Ethical Policy that is reviewed annually. This is a broad policy that attempts to protect the objectives of the Charity as a Catholic Charity and yet give the Managers the freedom to maximise the investment money.

PAY POLICY FOR SENIOR STAFF

The Trustees and the senior management team comprise the key management personnel of the charity, in charge of operating and controlling the Charity on a day-to-day basis. All Trustees give of their own time freely and received no remuneration in the year. Details of Trustees' related party transactions are disclosed in note 2 to the accounts.

The Trustees benchmark the pay of senior staff against pay levels in other comparable organisations on appointment and are advised by specialist consultants where necessary. This is reviewed annually to take account of increases in average earnings and the cost of living.

REVIEW OF DEVELOPMENTS DURING YEAR

The Trustees are confident that the finances will allow them to continue to develop the works of the Congregation. They continue to review all their assets. Communities are reducing in number, and this has an effect on the individual communities with regard to the size of property.

FUTURE PLANS

The Trustees plan:

- to continue to support the Sisters and enable them to carry out their pastoral ministry.
- to monitor the needs of the Sisters as they grow older and to take appropriate action when care needs arise.
- to continue supporting their missions abroad.
- to collaborate with the Institute of Our Lady of Mercy at St Mary's Convent, Handsworth, Birmingham, which has been designated a heritage centre for all the Sisters of Mercy and Associates in the UK and serves the local community and environment;
- to financially support programmes and events to enable Associate members, co-workers and colleagues to fulfil their role in Church and Society.
- to provide the highest possible care for the Residents of our Care Home and to meet the requirements laid down by the *Care Quality Commission, England*.
- to continue to share our resources with other communities in need and contribute generously to the needs of the Church and the world.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England/Wales & Scotland requires the Trustees to prepare financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

MEMBERS OF THE CONGREGATION, EMPLOYEES AND VOLUNTEERS

The Trustees acknowledge the dedication and commitment of the members of the Congregation, their employees and volunteers in enabling the mission of the Charity to be fulfilled and developed.

Approved by the Trustees on 21st October 2025 and signed on their behalf by:

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Sisters of Mercy of the Union of Great Britain for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of the charity's net movement in funds 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 charity 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 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 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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. 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 21 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 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 FINANCIAL STATEMENTS

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 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 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 is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of trustees meetings.
- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

.....
HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 21 October 2025
HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	General Funds £	Designated Funds £	Total 2025 £	Total 2024 £
Income and endowments from:					
Donations and legacies					
Members' salaries and pensions		1,824,299	-	1,824,299	1,822,637
Other donations and legacies		67,567	47,933	115,500	154,379
Charitable activities					
Care Home Fees receivable		-	1,529,484	1,529,484	2,020,724
Investments					
Investment Income	3	203,617	1,685,579	1,889,196	1,823,407
Other Income					
Rents		75,600	-	75,600	68,940
Gains on sale of fixed assets		12,810	-	12,810	20,195
Other income		-	26,070	26,070	68,504
Total income		<u>2,183,893</u>	<u>3,289,066</u>	<u>5,472,959</u>	<u>5,978,786</u>
Expenditure on:					
Raising funds					
Investment managers' fees		-	19,167	19,167	17,797
Charitable activities					
Support for members and their mission	4a	1,971,923	1,044,246	3,016,169	3,010,465
Care of the elderly		441,155	2,971,593	3,412,748	3,493,171
Relief of hardship		4,261	38,197	42,458	47,372
Other charitable activities		18,677	167,397	186,074	196,741
Total expenditure		<u>2,436,016</u>	<u>4,240,600</u>	<u>6,676,616</u>	<u>6,765,546</u>
Net income / (expenditure) before other gains		(252,123)	(951,534)	(1,203,657)	(786,760)
Net (losses) / gains on investments	9	-	268,126	268,126	2,689,402
Revaluation of property held for resale		198,226	-	198,226	457,516
Net income		<u>(53,897)</u>	<u>(683,408)</u>	<u>(737,305)</u>	<u>2,360,158</u>
Transfers between funds	12	<u>(1,235,485)</u>	<u>1,235,485</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,289,382)	552,077	(737,305)	2,360,158
Total funds brought forward at 1 April 2024		<u>7,893,326</u>	<u>64,875,502</u>	<u>72,768,828</u>	<u>70,408,670</u>
Total funds carried forward at 31 March 2025		<u>£6,603,944</u>	<u>£65,427,579</u>	<u>£ 72,031,523</u>	<u>£72,768,828</u>

All amounts derive from continuing activities. All gains and losses are included in the Statement of Financial Activities.

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
BALANCE SHEET
AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		9,765,967		10,455,654
Investments	9		55,192,724		53,923,564
CURRENT ASSETS					
Debtors	10	149,902		250,457	
Fixed asset held for resale		651,906		671,614	
Term deposits		4,130,168		4,000,000	
Cash at bank and in hand		2,578,866		3,836,686	
		<u>7,510,842</u>		<u>8,758,757</u>	
CREDITORS: Amounts falling due within one year					
	11	<u>(438,010)</u>		<u>(369,147)</u>	
NET CURRENT ASSETS					
			<u>7,072,832</u>		<u>8,389,610</u>
TOTAL NET ASSETS					
			<u>£72,031,523</u>		<u>£72,768,828</u>
UNRESTRICTED FUNDS					
Designated Funds: 12					
Convent Fund		184,316		202,375	
Donations Fund		16,552,169		16,548,558	
Property Fund		9,710,339		10,391,709	
Retirement and Care Fund		38,640,555		37,375,006	
Residential Care Homes Fund		<u>340,200</u>		<u>357,854</u>	
			<u>65,427,579</u>		<u>64,875,502</u>
General Funds	12		<u>6,603,944</u>		<u>7,893,326</u>
			<u>£72,031,523</u>		<u>£72,768,828</u>

Approved by the Trustees on 21 October 2025 and signed on their behalf by

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash Flows from operating activities			
Net cash (used in) operating activities		(2,673,475)	(2,332,206)
Cash flows from investing activities			
Dividends, interest and rents from investments		1,889,196	1,823,407
Proceeds from the sale of motor vehicles		12,810	20,195
Proceeds from the sale of property and equipment		671,614	1,909,220
Purchase of fixed assets		(26,764)	(57,736)
Purchase of asset held for resale		-	(126,319)
Proceeds from sale of investments		-	-
Purchase of investments		(993,502)	(1,000,000)
Net cash provided by investing activities		<u>1,553,354</u>	<u>2,568,767</u>
Change in cash and cash equivalents in the reporting period		(1,120,121)	236,561
Cash and cash equivalents at the beginning of the reporting period		<u>7,846,537</u>	<u>7,609,976</u>
Cash and cash equivalents at the end of the reporting period		<u>£6,726,416</u>	<u>£7,846,537</u>
		2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)		(737,305)	2,360,158
Adjustments for:			
Depreciation charges		262,770	346,625
Profit on disposal of fixed assets		(12,810)	(20,195)
On reclassification of fixed asset as current asset		(198,226)	(458,895)
Losses/(Gains) on investments		(268,126)	(2,689,402)
Dividends, interest and rents from investments		(1,889,196)	(1,823,407)
Decrease/(increase) in debtors		100,555	(109,182)
Increase/(decrease) in creditors		68,863	62,092
Net cash provided (used in) operating activities		<u>£(2,673,475)</u>	<u>£(2,332,206)</u>
Analysis of cash and cash equivalents		2025 £	2024 £
Term deposits		4,130,168	4,000,000
Cash in hand		2,578,866	3,836,686
Cash held by broker		17,382	9,851
Total cash and cash equivalents		<u>£6,726,416</u>	<u>£7,846,537</u>

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

a) General information

The Union of the Sisters of Mercy of Great Britain is an unincorporated registered charity in England and Wales (number 288158) and in Scotland (number SCO39153). Its registered address is Mercy Union Generalate, 11 Harewood Avenue, London, NW1 6LD.

b) Basis of preparation

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserve levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

d) Funds Structure

All the funds of the Charity are unrestricted funds. Unrestricted funds comprise those funds that the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in notes 12.

e) Tangible Fixed Assets

Land and buildings are stated at their cost or deemed cost based on existing use value as at 31 March 1997. All motor vehicles are capitalised at cost.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Freehold land	not depreciated
Freehold buildings	50 years
Leasehold buildings	50 years
Plant and machinery	10 years
Motor vehicles	4 years

f) Investments

Investments are a form of basic financial instrument and are initially shown in the accounts at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end of the year and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

ACCOUNTING POLICIES (continued)

f) Investments (continued)

In addition, the Charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the Charity at a fixed future date. No value can readily be attributed to the contract as future returns are dependent on bonuses which in turn depend on investment returns and inflation. Therefore the asset included in the balance sheet in respect of this scheme is valued on the basis of premiums paid to date in respect of Sisters still in the scheme. Receipts on maturity are recognised as investment gains net of the relevant premiums paid and the annual premiums are included as addition to the Deferred Annuity Contract.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Fees Receivable

Fees receivable are accounted for in the period in which the relevant services are provided.

k) Members' Salaries and Pensions

Members' salaries and pensions are received under Deeds of Covenant from members of The Union of the Sisters of Mercy and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

l) Legacies and Donations

Legacies and donations are recognised when receivable or when the Charity becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

m) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity.

n) Irrecoverable VAT

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

1. ACCOUNTING POLICIES (continued)

o) Charitable activities

Direct charitable expenditure consists of all expenditure directly relating to the objects of the Charity. The cost of charitable activities includes grants made and an apportionment of overhead and support costs as shown in note 4.

p) Allocation of overhead and support costs

Overhead and support costs exclusively incurred for a particular activity have been allocated to that activity. General overhead and support costs have been allocated between charitable activities in line with the proportion of total direct and grant funded costs incurred on each activity. The allocation of overhead and support costs is analysed in note 4.

q) Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension Scheme

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the accounts represent the contributions payable in the year.

r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

2. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and assets. They are therefore entirely dependent on the Charity for all their living expenses. The Trustees do not receive any payments or benefits for carrying out their duties other than their living expenses which are met by the Charity in their capacity as members of the Religious Order.

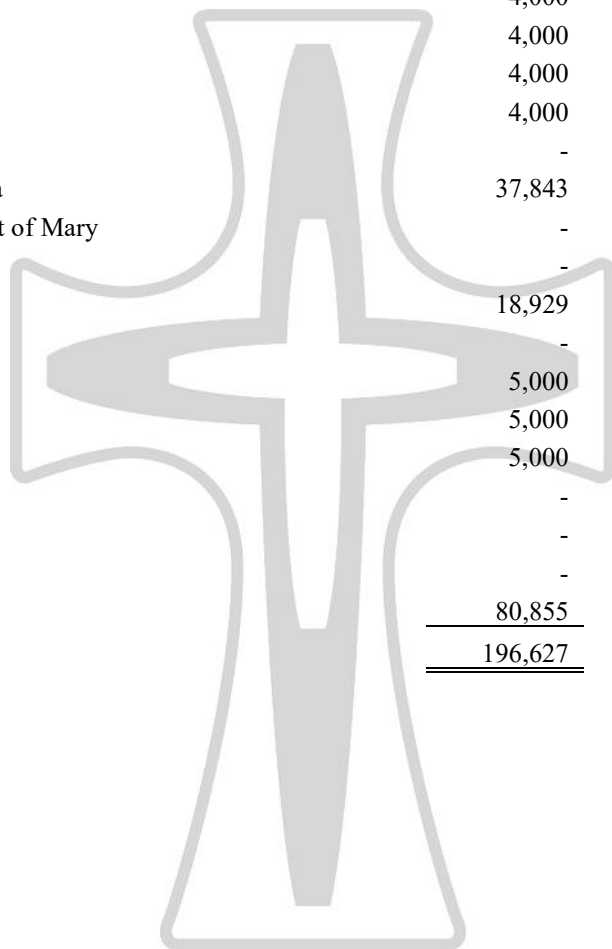
INVESTMENT						
3	INCOME		2025	2024		
			£	£		
	Listed Investments		1,684,554	1,653,910		
	Cash Deposits		204,642	169,497		
			<u>£1,889,196</u>	<u>£1,823,407</u>		
4a	ANALYSIS OF CHARITABLE EXPENDITURE	Activities undertaken Directly	Grant Funded Activities	Support Costs	Total 2025	Total 2024
		£	£	£	£	£
	Support for members and their mission	2,713,430	-	302,739	3,016,169	3,010,465
	Care of the elderly	3,049,097	21,106	342,545	3,412,748	3,493,171
	Relief of Hardship	-	38,197	4,262	42,459	47,372
	Other Charitable activities					
	Evangelisation	-	68,325	7,623	75,948	79,240
	Children's charities	-	9,000	1,004	10,004	3,799
	Education	-	18,500	2,064	20,564	11,938
	Homeless	-	3,300	368	3,668	14,651
	Medical	-	2,000	223	2,223	8,683
	Missions	-	56,272	6,278	62,550	73,546
	Women's Charities	-	10,000	1,116	11,116	4,884
		<u>£5,762,527</u>	<u>£226,700</u>	<u>£668,222</u>	<u>£6,657,449</u>	<u>£6,747,749</u>
	ANALYSIS OF SUPPORT COSTS	Support for Members	Care of the Elderly	Relief of Hardship	Other	2024 Total
		£	£	£	£	£
	Staff	211,238	239,012	2,974	13,032	466,256
	Administration	46,011	52,060	648	2,838	101,557
	Professional	25,375	28,712	357	1,565	56,009
	Governance (audit fees)	20,115	22,761	283	1,241	44,400
		<u>£302,739</u>	<u>£342,545</u>	<u>£4,262</u>	<u>£18,676</u>	<u>£668,222</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

4b ANALYSIS OF CHARITABLE EXPENDITURE	Activities undertaken Directly £	Grant Funded Activities £	Support Costs £	2024 Total £	
Support for members and their mission	2,773,821	-	236,644	3,010,465	
Care of the elderly	3,208,457	10,126	274,588	3,493,171	
Relief of Hardship	-	43,648	3,724	47,372	
Other Charitable activities					
Evangelisation	-	73,011	6,229	79,240	
Children's charities	-	3,500	299	3,799	
Education	-	11,000	938	11,938	
Homeless	-	13,500	1,151	14,651	
Medical	-	8,000	683	8,683	
Missions	-	67,765	5,781	73,546	
Women's Charities	-	4,500	384	4,884	
	<u>£5,982,278</u>	<u>£235,050</u>	<u>£530,421</u>	<u>£6,747,749</u>	
ANALYSIS OF SUPPORT COSTS					
	Support for Members £	Care of the Elderly £	Relief of Hardship £	Other £	2024 Total £
Staff	171,809	199,358	2,704	11,228	385,099
Administration	37,500	43,512	590	2,451	84,053
Professional	8,597	9,975	135	562	19,269
Governance (audit fees)	18,738	21,743	295	1,224	42,000
	<u>£236,644</u>	<u>£274,588</u>	<u>£3,724</u>	<u>£15,465</u>	<u>£530,421</u>
5 ANALYSIS OF GRANTS					
			2025 Total £	2024 Total £	
Grants made to institutions			196,627	176,265	
Grants made to individuals			30,073	58,785	
			<u>£226,700</u>	<u>£235,050</u>	
			Number	Number	
Institutions			49	41	
Individuals			<u>15</u>	<u>13</u>	

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

6 RECIPIENTS OF INSTITUTIONAL GRANTS:	2025	2024
	£	£
Large Institutional Donations		
Diocese of Westminster	8,000	8,000
Diocese of Birmingham	4,000	4,000
Diocese of Brentwood	4,000	4,000
Diocese of Clifton	4,000	4,000
Diocese of Edinburgh	4,000	4,000
Diocese of Glasgow	4,000	4,000
Diocese of Menevia	4,000	2,000
Diocese of Motherwell	4,000	4,000
Diocese of Plymouth	4,000	4,000
Diocese of Shrewsbury	4,000	4,000
Providence Row Charity	-	10,000
Daniel's Corporation, Romania	37,843	37,843
Parish of the Immaculate Heart of Mary	-	5,000
SACRO	-	5,000
Addo, South Africa	18,929	31,422
Nigeria School	-	5,000
Bakhita House	5,000	-
CAFOD	5,000	5,000
SCI AF	5,000	-
Church of the Holy Redeemer	-	5,000
Ashford Place	-	5,000
Irish Chaplaincy	-	5,000
Other	80,855	20,000
	<u>196,627</u>	<u>176,265</u>



THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

7 STAFF COSTS

	2025	2024
	£	£
Wages and Salaries	2,206,591	2,399,441
Social Security costs	159,981	162,667
Other Pension Costs	154,210	169,923
Agency staff	52,236	54,784
Redundancy costs	214,970	-
	<u>£2,787,988</u>	<u>£2,786,815</u>

The key management personnel of the charity comprise the Trustees, the General Bursar, the Finance Director, the Buildings Surveyor and the Care Home Managers. The total employee benefits of the key management personnel of the charity was £265,220 (2024: £252,057). The average monthly head count was 104 staff (2024: 128 staff) and the average number of full-time equivalent employees (including part-time staff) was:

	2025	2024
	Number	Number
Residential Homes	63	83
Convents	4	3
Other	6	5
	<u>73</u>	<u>91</u>

One member of staff received between £80,001 and £85,000 per annum (2024 -0) and one member of staff received between £60,001 and £65,000 (2024 -1). The 73 Sisters of the Order who are under vows of Poverty, Chastity and Obedience conduct many of the activities of the Charity. No amounts are included in Staff Costs in respect of Sisters' services.

8 TANGIBLE FIXED ASSETS

	Freehold land and Buildings	Leasehold land and Buildings	Plant and Machinery	Motor Vehicles	Total
	£	£	£	£	£
Valuation					
At 1 April 2024	16,189,528	209,896	721,268	321,338	17,442,030
Additions	-	-	-	26,764	26,764
Disposals	-	-	-	(27,649)	(27,649)
Transfer to property held for resale	(570,000)	-	(86,564)	-	(656,564)
At 31 March 2025	<u>15,619,528</u>	<u>209,896</u>	<u>634,704</u>	<u>320,453</u>	<u>16,784,581</u>
Depreciation					
At 1 April 2024	6,425,913	39,200	263,870	257,393	6,986,376
Eliminated on disposal	-	-	-	(27,648)	(27,648)
Charge for the year	162,760	1,400	63,530	35,080	262,770
Transfer to property held for resale	(159,600)	-	(43,284)	-	(202,884)
At 31 March 2025	<u>6,429,073</u>	<u>40,600</u>	<u>284,116</u>	<u>264,825</u>	<u>7,018,614</u>
Net Book Value					
At 31 March 2025	<u>9,190,455</u>	<u>169,296</u>	<u>350,588</u>	<u>55,628</u>	<u>9,765,967</u>
At 31 March 2024	<u>9,763,615</u>	<u>170,696</u>	<u>457,398</u>	<u>63,945</u>	<u>10,455,654</u>

Apart from a small proportion of excess accommodation which is let and minimal use for management and administrative purposes, all fixed assets are held for direct charitable purposes.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

9	INVESTMENTS	2025	2024
		£	£
	Listed investments	55,175,342	53,913,713
	Portfolio cash	17,382	9,851
	At 31 March 2025	<u>£55,192,724</u>	<u>£53,923,564</u>

	Donations Fund £	Retirement Fund £	Total £
Market Value at 1 April 2024	16,548,558	37,365,155	53,913,713
Additions	-	993,503	993,503
Disposals	-	-	-
Realised gains	-	-	-
Unrealised revaluation gains/(losses)	3,611	264,515	268,126
	<u>16,552,169</u>	<u>38,623,173</u>	<u>55,175,342</u>
Portfolio Cash	-	17,382	17,382
Market Value at 31 March 2025	<u>£16,552,169</u>	<u>£38,640,555</u>	<u>£55,192,724</u>
Cost at 31 March 2025	<u>£13,000,000</u>	<u>£34,230,676</u>	<u>£47,230,676</u>

	Listed Investments £	Total £
UK Managed funds	<u>£55,175,342</u>	<u>£55,175,342</u>

10	DEBTORS	2025	2024
		£	£
	Trade and other debtors	37,342	104,965
	Prepayment and accrued income	112,560	145,492
		<u>£149,902</u>	<u>£250,457</u>

11	CREDITORS: Amounts falling due within one year	2025	2024
		£	£
	Trade creditors	189,811	158,477
	Other taxes and social security	28,885	27,098
	Other creditors	16,235	-
	Accruals and deferred income	203,079	183,572
		<u>£438,010</u>	<u>£369,147</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

12. CHARITABLE FUNDS

- a) The Trustees have designated funds out of the unrestricted funds for specific purposes as follows:

Convent Fund

73 Sisters form the membership of the Charity residing in 25 locations. The Trustees have designated funds to provide for the day to day running of these convents. Funds of £1,003,675, were transferred from the general fund during the year.

Donations Fund

A fund has been designated backed by a portfolio of investments. The purpose of this fund is to support the charitable activities, other than support for its members, of the Charity.

Property Fund

In order to fulfil its charitable objectives, the Charity needs a large number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Charity's work. Trustees therefore feel that it is appropriate to reflect the book value of properties by means of a designated fund. The movement in the Property Fund represents the property transactions and depreciation in properties during the year. With effect from 31 March 2020, this now includes non-moveable plant and equipment.

Retirement and Care Fund

A fund has been designated to enable the Charity's commitment to provide for the retirement and care in old age and sickness of its members including the cost of nursing and residential care home fees. An initial designation of £30.3 million with a subsequent addition of £1 million in the year has grown to £38.6 million at the year-end whilst the Trustees have estimated that a fund of some £41 million will be required to make provision for the ongoing needs of members after taking account of their occupational pension rights. The Trustees have designated an investment portfolio for this Fund.

Residential Care Homes Fund

The charity operated two residential care homes at the start of the period, which was reduced to one at the year end with the closure of St Teresa's Rest Home in July 2024. The costs of closure, together with the costs of caring for residential members of the Congregation resident required a transfer from the General Fund of £1,278,384.

- b) ***General Fund***

General funds are retained to provide resources to meet the long-term commitments of our mission, for future administration and compliance costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. The General Fund at the year-end stood at £72.0 million.

The Trustees' have calculated that a reserve of £7 million is an appropriate amount for this purpose. Sales proceeds from surplus assets in the forthcoming year will bring the General Fund to its target level of reserves.

All unrestricted funds are available to be spent for any of the purposes of the charity. The Charity's salary and pension income and significant items of property, care fees and grant expenditure has been centralised. For administrative simplicity most such income and expenditure is conducted through the General Fund bank accounts. Periodically, transfers of income and capital are made from other Funds into the General Fund in order to maintain the General Fund near to target levels.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

12c ANALYSIS OF CHARITABLE FUNDS
2025

	Balance at 1 April 2024	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2025
	£	£	£	£	£	£
Convent Fund	202,375	49,436	(1,003,675)	936,180	-	184,316
Donations Fund	16,548,558	534,095	(202,484)	(331,610)	3,610	16,552,169
Property Fund	10,391,709	-	(164,160)	(517,210)	-	9,710,339
Retirements and Care Fund	37,375,006	1,150,459	(19,167)	(130,259)	264,516	38,640,555
Residential Care Homes Fund	357,854	1,555,076	(2,851,114)	1,278,384	-	340,200
Designated Funds	64,875,502	3,289,066	(4,240,600)	1,235,485	268,126	65,427,579
General Fund	7,893,326	2,382,119	(2,436,016)	(1,235,485)	-	6,603,944
	<u>£72,768,828</u>	<u>£5,671,185</u>	<u>£(6,676,616)</u>	<u>£-</u>	<u>£268,126</u>	<u>£72,031,523</u>

d) ANALYSIS OF CHARITABLE FUNDS
2024

	Balance at 1 April 2023	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2024
	£	£	£	£	£	£
Convent Fund	208,835	47,113	(1,044,508)	990,935	-	202,375
Donations Fund	16,082,446	480,477	(201,761)	(278,716)	466,112	16,548,558
Property Fund	10,950,078	-	(240,623)	(317,746)	-	10,391,709
Retirements and Care Fund	35,149,313	1,173,433	(17,797)	(1,153,233)	2,223,290	37,375,006
Residential Care Homes Fund	632,665	2,052,097	(3,031,580)	704,672	-	357,854
Designated Funds	63,023,337	3,753,120	(4,536,269)	(54,088)	2,689,402	64,875,502
General Fund	7,385,333	2,683,182	(2,229,277)	54,088	-	7,893,326
	<u>£70,408,670</u>	<u>£6,436,302</u>	<u>£(6,765,546)</u>	<u>£-</u>	<u>£2,689,402</u>	<u>£72,768,828</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

13 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR

	General Funds	Designated Funds	Total 2024
	£	£	£
Income and endowments from:			
Donations and legacies			
Members' salaries and pensions	1,822,637	-	1,822,637
Other donations and legacies	109,358	45,021	154,379
Charitable activities			
Care Home Fees receivable	-	2,020,724	2,020,724
Investments			
Investment Income	167,946	1,655,461	1,823,407
Other Income			
Rents	68,940	-	68,940
Gains on sale of fixed assets	20,195	-	20,195
Other income	36,590	31,914	68,504
Total income	<u>2,225,666</u>	<u>3,753,120</u>	<u>5,978,786</u>
Expenditure on:			
Raising funds			
Investment managers' fees	-	17,797	17,797
Charitable activities			
Support for members and their mission	1,863,374	1,147,091	3,010,465
Care of the elderly	346,714	3,146,457	3,493,171
Relief of hardship	3,724	43,648	47,372
Other charitable activities	15,465	181,276	196,741
Total expenditure	<u>2,229,277</u>	<u>4,536,269</u>	<u>6,765,546</u>
Net Income / (expenditure) before other gains	(3,611)	(783,149)	(786,760)
Net (losses)/gains on investments	-	2,689,402	2,689,402
Revaluation of property for resale	457,516	-	457,516
Net income	453,905	1,906,253	2,360,158
Transfers between funds	<u>54,088</u>	<u>(54,088)</u>	<u>-</u>
Net movement in funds	507,993	1,852,165	2,360,158
Total funds brought forward at 1 April 2023	<u>7,385,333</u>	<u>63,023,337</u>	<u>70,408,670</u>
Total funds carried forward at 31 March 2024	<u>£7,893,326</u>	<u>£64,875,502</u>	<u>£72,768,828</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 MARCH 2025

14a. ANALYSIS OF NET ASSETS BY FUND 2025

	Designated Funds					General Fund	Total Funds
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund		
	£	£	£	£	£	£	£
Fund balances at 31 March 2025 are represented by							
Tangible fixed assets	-	-	9,710,339	-	-	55,628	9,765,967
Investments	-	16,552,169	-	38,640,555	-	-	55,192,724
Current Assets	184,316	-	-	-	586,587	6,739,939	7,510,842
Current liabilities	-	-	-	-	(246,387)	(191,623)	(438,010)
	<u>£184,316</u>	<u>£16,552,169</u>	<u>£9,710,339</u>	<u>£38,640,555</u>	<u>£340,200</u>	<u>£6,603,944</u>	<u>£72,031,523</u>
Unrealised gains included above on listed investments	£-	£3,552,169	£-	£4,408,865	£-	£-	£7,961,034

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

ANALYSIS OF NET ASSETS BY
14b. FUND 2024

Designated Funds

	Designated Funds						
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund	General Fund	Total Funds
	£	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:							
Tangible fixed assets	-	-	10,391,709	-	-	63,945	10,455,654
Investments	-	16,548,558	-	37,375,006	-	-	53,923,564
Current assets	202,375	-	-	-	556,964	7,999,418	8,758,757
Current liabilities	-	-	-	-	(199,110)	(170,037)	(369,147)
	<u>£202,375</u>	<u>£16,548,558</u>	<u>£10,391,709</u>	<u>£37,375,006</u>	<u>£357,854</u>	<u>£7,893,326</u>	<u>£72,768,828</u>
Unrealised gains / (losses) included above on listed investments	£-	£3,548,552	£-	£4,144,365	£-	£-	£7,692,917

15 Related party transactions

There were no related party transactions in either the current or prior year other than those referred to in note 2.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

England & Wales - Charity number 288158

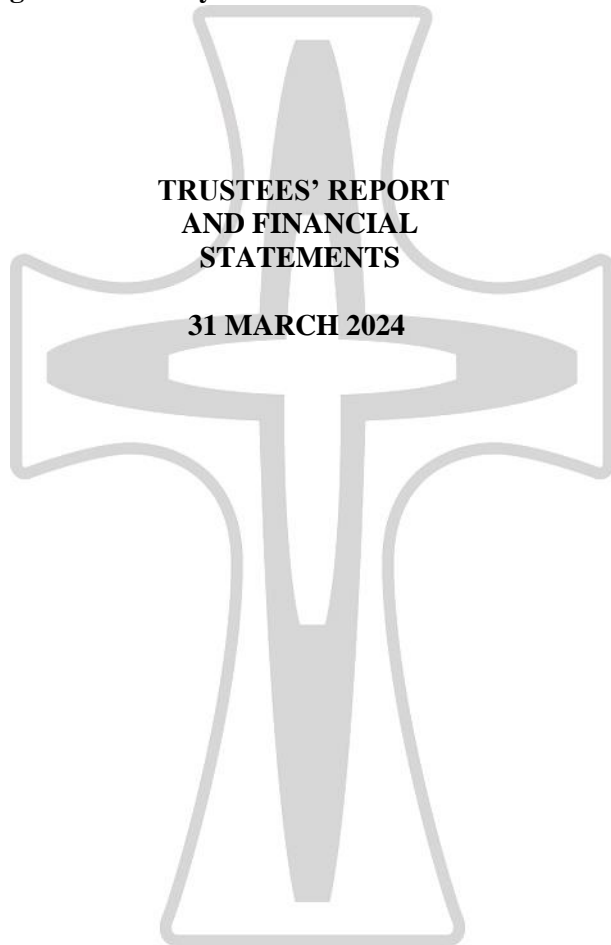
Accounts

**THE UNION OF THE SISTERS OF
MERCY OF GREAT BRITAIN**

**(Registered Charity Number in England and Wales: 288158)
(Registered Charity Number in Scotland: SCO39153)**

**TRUSTEES' REPORT
AND FINANCIAL
STATEMENTS**

31 MARCH 2024



**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Name: The Union of the Sisters of Mercy of Great Britain
(We are also known as Sisters of Mercy of the Union)

Governing Instruments: Trust Deed dated 29 September 1991

Address: Mercy Union Generalate
11 Harewood Avenue
London NW1 6LD

Charity Commission No: England and Wales 288158
Scotland SCO39153

The Trustees who served during the year are: Sister Geraldine Lawlor (Superior)
Sister Margaret Jones
Sister Mary McGrath
Sister Annette McCartan
Sister Johanna Moloney

The Finance Director to the Trustees is: Mr Alan Wraight

The Property Surveyor to the Trustees is: Mr Brian Kervick

The Solicitors are: IBB Solicitors
Capital Court
30 Windsor Street
UB8 1AB

The Independent Auditors are: Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

The Investment Advisers: Rathbone Brothers PLC
8 Finsbury Circus
London EC2M 7AZ
BlackRock
12 Throgmorton Avenue
London EC2N 2DL

The Bankers are: Bank of Ireland
PO Box 2124
Belfast BT1 9RS

Investment Powers: There are no restrictions on the powers of investment.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice For Charities (SORP 2015) (Second Edition), effective 1 January 2019.

INTRODUCTION

The Congregation of the Sisters of Mercy was founded by Catherine McAuley in 1831 in Dublin, Ireland. The Union of the Sisters of Mercy, who number seventy-six Sisters, have Convents throughout England, Scotland and Wales and Residential Care Homes in England and Wales. Historically, Convents of Mercy have considerable autonomy in the conduct of their day-to-day affairs. The Leadership Team, who are the Trustees, supervise and control the activities of the Charity. Each Convent and Care Home send accounts to the General Bursar who, with the Finance Director, supports the Trustees in their management of the assets of the Charity.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Every five years, representatives of the Congregation meet in General Chapter with a twofold purpose:

- to set the direction for the next five years;
- to elect a Congregational Leader and Team to implement decisions made.

The Leader and Team are responsible for the pastoral care of the members and make regular visits to each community. The purpose of these visits is to provide support for the Sisters in their personal lives and in their ministry.

The Charity is governed by a Trust Deed dated 29 September 1991 and is a registered charity – Charity Registration Number 288158 and SCO39153 in Scotland. The Trustees were incorporated as a body under a Certificate of Incorporation issued by the Charity Commission on 25 June 1984. The Trustees of the Charity are the elected Leadership Team members of the Congregation and, therefore, have a good knowledge of the work of the Charity and its structure.

GDPR - Update 2024

Detailed work commenced during the latter half of 2023 to review the content of the existing overarching and specific GDPR and Privacy policies that were currently in place.

The two residential homes owned and run by the Union of the Sisters of Mercy had their own separate GDPR and Privacy policies with minimal cross referencing within the overarching policy for the Charity. It is recognised that these separate policies now need to form part of a single policy for the Charity while still fulfilling the specific regulatory and legal requirements of a Registered care home.

This work will continue during this year and the detailed work on these policies and working arrangements will be finalised in 2024 in order to ensure they meet the current requirements of GDPR and reflect best practice.

The information and data collected and stored in all locations and services operated by the Sisters is essential for the mission and operational functioning of the Charity.

The names of the Trustees who served during the year are set out as part of the reference and administrative details on page 1 of this report. The Trustees bring to their role a wide variety of leadership and management experience gained in their professional lives and through membership of Boards. They usually attend lectures, conferences and workshops that equip them for their current role. During the financial year covered by the report, we have attended the following courses via Zoom and in person:

Trustee responsibility conferences:

- Safeguarding Leads Zoom Meeting (Religious Life Safeguarding Service (RLSS)).
- Safeguarding Educare Modules (Westminster Diocese).
- Investment Managers Meetings with Trustees – Blackrock / CCLA Investment Management / Rathbones.
- IBB Solicitors Annual Charity Update.
- Archives Zoom.
- Strategic Planning for the future (With Mercy Facilitators).
- Leadership and Cultural Change (Catholic Safeguarding Standards Agency (CSSA)).
- Care Inspectorate Wales Meeting.
- Meeting with HR Support.
- Haysmacintyre “10 Years Ahead” Conference.
- Safeguarding Update, Zoom (RLSS, CSSA & SCSSA – Scottish Catholic Safeguarding Standards Agency).
- Bursars Conference.
- Child Migration Meeting Scotland, Zoom.

Working with Other Organisations / Engaging with Other Professionals

- Institute, Federation and Union (IFU) meeting, Zoom (other Mercy congregations in the UK).
- Conference of Religious (CoR) Meetings, Euston.
- Conference of Religious (CoR) online meeting.
- MIA Zoom Meeting and in person in Dublin.

Caring for the Environment

- Environment tree planting.

General topics:

- Synodal Process.
- Refugees and Migrants (Ukraine).
- Role of Women in the Church.
- Zoom for Superiors General: Conflict Resolution.

Individual Trustee Attendance:

- Zoom courses for Congregational Leaders, Rome.
- North London Support Meeting for Congregational Leaders.
- Union of International Superiors General (UISG) on Zoom and in person, in London.
- MIA (Mercy International Association).
- CoR Collaborative Projects – Innovative Leadership and Change Management
- CoR Charity Governance – Civil Law and Canon Law
- Safeguarding – Domestic Abuse and Understanding Depression & Self Harm
- Synod Meeting
- Church Charities Conference, Westminster
- Catholic Relief Service, Carfin – Safeguarding
- Catholic Relief Service AGM
- RLSS Safeguarding Training – Zoom
- Scottish Safeguarding – Strathclyde University
- Leading transformation change (Zoom)
- RLSS AGM
- Safeguarding seminar with Farrer and Co.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

- Safeguarding Training, Westminster Diocese
- Scottish Catholic Safeguarding Training

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet at least monthly to review developments with regard to the Charity and its activities and make appropriate decisions following their review of property, finance, personnel and future needs. The Trustees seek professional advice when making decisions concerning the assets of the Charity. They engage the following professionals:

- Solicitors
- Surveyors (valuation and building)
- Investment Managers
- Accountants
- Health Care Specialists
- HR Consultant
- Insurance Brokers.

The day-to-day management of the Charity's activities and implementation of policies is handled by the Trustees, General Bursar, Finance Director and Surveyor.

WORKING WITH OTHER ORGANISATIONS

In order to carry out its mission, the Charity works closely with other charities and public bodies. Working collaboratively with other agencies and charities is of significance to the Trustees. By doing so, the members of the Congregation are able to minister across a wider spectrum of society. Some of the organisations with which members have been engaged are:

- 11 Dioceses of the Roman Catholic Church.
- The Lodging House Mission, Church of Scotland/The Marie Trust, Glasgow.
- Care Inspectorate Wales (CIW).
- Care Quality Commission (CQC), England.
- Education Authorities.
- Other Mercy Congregations in the UK and overseas.
- Other Religious Congregations both male and female.
- RLSS and CSSA: Committed to a safer Catholic Church.
- Scottish Catholic Safeguarding Standards Agency (SCSSA)
- Irish Chaplaincy
- Verne Prison
- Saint Vincent de Paul Society

FUNDRAISING

The charity receives donations from the general public but does not actively solicit funds for its activities either directly with the public or through the use of any third-party fundraisers. No complaints were received during the year.

RISK MANAGEMENT

The Trustees have instituted a risk review programme to identify major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees will continue to review major risks on an annual basis. In particular:

Operational risk

As well as providing care and support for its own members within its own communities, the Charity also

owns and operates two care homes which are available to members of the public. These care facilities are subject to regulation by the Care Quality Commission (CQC) and the Care Inspectorate Wales (CIW). To ensure compliance with the requirements of these bodies, the Trustees and senior management are required to attend seminars to alert them to any changes in requirements. If necessary, the Trustees engage a consultant in care home management to support themselves and local management and engage an experienced HR Consultant to assist with all employment matters.

Additionally, the Trustees have engaged the services of the Risk Management Department of their Insurance Brokers to undertake the Risk Assessment requirements of all their larger establishments.

Financial risk

The age profile of the members is increasing and there is an obligation to financially provide for them in retirement, especially those requiring care in old age. A designated fund has been formed to hold a professionally administered portfolio of investments sufficient to provide an income to achieve this.

Missionary risk

The Mission Statement commits the Congregation to work to alleviate poverty. In furtherance of this, with the number of members able to directly participate in this mission declining, the Trustees have designated a donations fund comprising of a professionally administered portfolio of investments. Income arising is designated for charitable grants and the Trustees receive regular reports to monitor expenditure and ensure it is consistent with its intended purpose.

OBJECTS

The Objects of the Charity are the advancement of religious and other charitable work, for the time being, carried on by, or under the direction of, The Union of the Sisters of Mercy of Great Britain ("charity") as the Trustees, with the approval of the Superior of the Congregation, shall from time to time think fit. If at any time the charity shall cease to exist or shall cease to carry on, or direct, any charitable work, then the Object shall become such lawful charitable purposes connected with the advancement of the Roman Catholic Religion, as the Trustees shall decide.

MISSION STATEMENT

"We, The Union of the Sisters of Mercy, in the spirit of Catherine McAuley, commit ourselves to be mercy to all, with a preferential option for the poor. We embrace the challenge of new ministries and will explore creative ways of sharing our life with others, for the sake of the Kingdom."

We carry out our Mission of Mercy inspired by Gospel values and guided by the charism of the Congregation which is to benefit the public, particularly women and children and those who are poor. This commitment is manifested in the activities of the Charity.

PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to public benefit guidance published by the Charity Commission in determining the objectives for the year and the activities undertaken by the Charity.

The Charity Commission in its "Charities and Public Benefit" Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity and the activities reported on to achieve those aims, meet these two principles.

ACTIVITIES

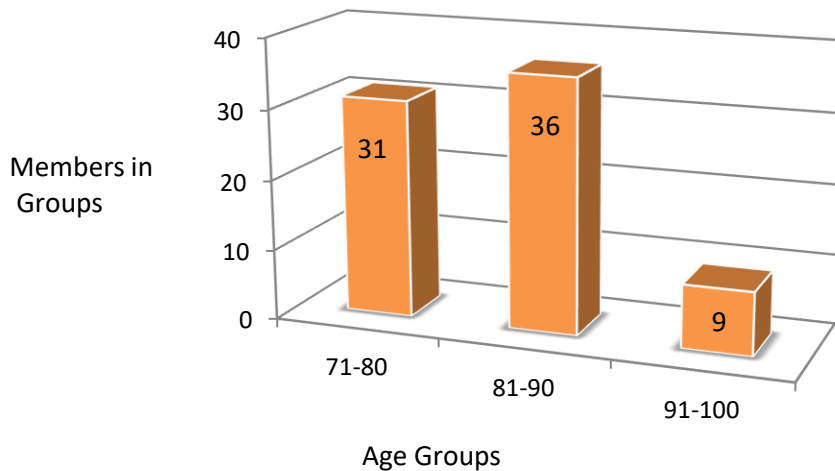
The activities of the Charity can be divided into four principal areas:

- Caring for the members of the Congregation.
- The social and pastoral work of the Sisters.
- The ownership and operation of Care Homes.
- The support of our overseas missions.

Each of these is considered in turn.

Caring for Members of the Congregation

In common with many Religious Congregations, the age profile of the members of the Congregation has changed considerably in recent years. Members grow older and new membership has ceased. On 31 March 2024 the age profile of the Congregation is shown in the following table:



The Trustees are the elected Leadership Team of the Congregation and, as such, have a particular pastoral role within the Congregation. Along with one local community leader and four pastoral care team members, who are engaged in the care of the Sisters in St Michael's Care Home, Clacton-on-Sea, they are responsible for the full-time pastoral care of the membership.

KEY ISSUES

At our General Chapter, held in September 2021, we were given the following Key Issues to consider:

- Leadership.
- Care of our Members.
- Diminishment and Completion.
- Handing On.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted all (or a significant part) of their working lives to the ministries and outreach of the Charity. In order to enable the mission of the Charity to be fulfilled, some Sisters enjoyed a full working life of remunerated employment. Now, as the age profile of the Congregation increases, so too does the need to provide care for the members.

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024**

On 31 March 2024, 17 members of the Congregation were in residential care in the Charity's own homes and other homes.

Over the next decade, the Trustees are aware the number of members requiring care will increase and are giving careful consideration to the impact of this on its active ministry, on the financial implications for the charity and on the property requirements.

With this in mind, the Trustees aim:

- to enable as many members as possible to continue in Mercy ministry;
- to ensure that members who can no longer live independently are provided for;
- to review the Charity's property in the light of the age profile and the members' future needs.

SPIRITUAL LIFE OF THE MEMBERSHIP

Members of the Congregation are given the opportunity for private prayer and reflection. Through study of the Scriptures, the documents of the Church and other resources they seek to continue their own spiritual development.

While their special commitments are to other members of the Roman Catholic Church, members of the Congregation regularly pray and celebrate with the wider community, including people of all faiths and none. They do this in a variety of ways and always by being available for those who approach them for help and support.

SOCIAL AND PASTORAL WORK

"The poor need help today, not next week"
Venerable Catherine McAuley

While our fourth vow commits us to care for the materially poor, we are conscious there are many forms of poverty. We respond as best we can and are acutely aware of the problems caused by mental illness and the increasing need for dementia care.

Members of the Congregation were in ministry in many pastoral and social settings:

- Working in parishes, visiting the housebound and elderly, helping in catechetical programmes.
- Retreat work, spiritual development programmes and prayer groups.
- Community social work with the homeless.
- Pastoral care in hospitals and hospices.
- Chaplaincy in schools.
- Bereavement support.
- Various justice and peace initiatives.
- Citizens UK (Birmingham).
- Interfaith Groups.
- Food Banks.

The Trustees have encouraged the members of the Congregation to stay connected with their place of ministry and to reach out to their local community, with a special concern for those who are poor and in need.

Most members minister as volunteers. Where Sisters are remunerated by way of stipend, the income is passed to the Charity and thereby ensures that the mission of the Charity may continue into the future.

MINISTRY ACCOUNTS

There follows accounts of the ministries undertaken by members in North West London, West London and West Scotland:

A Community in North West London writes:

As a member of the Community I am involved with the following ministries:

- Working with the Parish Priest and the other Sister in our community on a programme of preparation for the Rite of Christian Initiation of Adults (RCIA).
- I compile rotas for readers and eucharistic ministers with the other Sister of our community.
- Ministering to our Mercy Associate Group when we meet monthly for a time of prayer, discussion and refreshments.

Parish ministries of other community member:

- Organisation of the parish preparation programme for first reconciliation and first communion for children.
- Helping with the parish Baptism Preparation Programme for parents.
- Visiting housebound parishioners and bringing them Holy Communion (see photo below).
- Occasionally visiting sick parishioners in hospital.
- Helping with organisation of Readers and Ministers of Holy Communion in the Parish.
- Composing Prayers of the Faithful for Parish Sunday Mass.
- Helping the other community member with RCIA and Mercy Associate Meetings.
- Assisting with Parish Activities as and when required.



Taking Communion to the housebound



First Communion Preparation

A Community in West London writes:

The Mercy Community in Feltham was founded in 1994. From the outset the 3 founding Sisters were fully involved in all parish activities, especially in catechetics, prayer groups, extraordinary ministers of the Eucharist, readers and regular visitation of the sick and elderly in their homes or in hospitals.

Feltham Parish is numerically one of the largest in the Diocese of Westminster and it is still increasing. It is home to people from many ethnic communities from Africa, Goa, the Philippines, Poland, Ukraine, India and others.

At the present time we are two Sisters, both in our seventies. Our main ministries are:

- Readers and extraordinary ministers of the Eucharist.
- Attendance at Parish Team Meetings.
- Making weekly visits to local care homes.
- Supporting parishioners 1:1, as required.
- Facilitating Mercy Associate Meetings in our home and arranging ongoing instruction, as required.
- Training/leading parishioners in the daily prayer of the Church.
- Supporting and leading parish-based faith sharing groups.
- Supporting local parish activities, UCM, now renamed “Circle of Friends”, and also the over 50s club.

Specific ministries:

- One Sister is involved in supporting the Alzheimer’s Society by attending a fortnightly session “Singing for the Brain” which is a stimulating activity for people in the early stages of dementia.
- Supporting families coping with bereavement/loss.
- Supporting the work of Mission Today by distributing their magazines and collecting the red boxes.
- One Sister is a volunteer with the Irish Chaplaincy Seniors’ Project
- This Sister is also a committee member for the local branch of ASR – Association for Senior Religious.

A Sister in Baillieston, West Scotland writes:

I am a volunteer helper at SVDP Furniture Project based in North Lanarkshire. The building we use is a large warehouse unit.

People/families donate items of pre-loved furniture, kitchen and bedroom items etc. which we are then able to give to families/individuals who are in need.

The project relies on volunteer drivers who collect and deliver the items, and other volunteers who sort and select items for distribution. When the goods are received into the unit, they are checked to ensure that they are in good condition and electrical items are PAT tested. We then match up these items with the requests received. Requests come from various sources – some directly from the SVDP Conferences in the locality on behalf of families/individuals who find themselves in urgent need of help – these may be refugees or asylum seekers, families fleeing violent relationships, people who have just been released from prison and sometimes from people struggling to replace electrical items which have been broken down and they cannot afford to replace/repair them. In addition, we also get referrals from Social Services and some NHS providers.

This worthwhile project relies entirely on the work of volunteers – our only reward is to see the furniture, beds, beddings etc. going on to people who have nothing. It is very humbling.

SPRED (Special Religious Education Development) is an experiential program for people with

learning difficulties. There is no learning of facts but focuses on learning about faith through experience in a community setting. The group consists of “friends” (the person with learning disability) and “friend catechists” who are volunteers – together, we learn/experience together. There is not them and us; we work and learn together in a community of equals. I am a volunteer catechist.

MERCY ASSOCIATES

Many communities have established Mercy Associate groups. The Mercy Associates are inspired by the vision of the Foundress Venerable Catherine McAuley. The movement provides an opportunity for lay people (youth and adults, female and male, across denominations and cultures) to deepen their own prayer life and spirituality and encourages them to share in and contribute to the life and Mission of the Mercy Community in a way suited to their own lifestyle. The Mercy Associates are supported by a team of Sisters who provide assistance and resource materials to enable them to develop and deepen their Mercy spirituality. In addition, talks on the life and spirituality of Catherine McAuley have been recorded and are available on YouTube. In their own unique way Mercy Associates share the spirituality, prayer and ministry of the Sisters of Mercy.

THE OWNERSHIP AND OPERATION OF CARE HOMES

The Charity owns and operates two Care Homes for those who are infirm and/or aged. Each of these homes provides care for the members of the Congregation and for the members of the local area. Over the years the Charity has invested large sums of money in the upgrading of these homes to meet changing needs.

The Mission Statement expresses what we hope to provide at our Care Homes:

*Through our Charism of Mercy and in the spirit of Catherine McAuley
we commit ourselves to serving the needs of the elderly in our Care.*

St Michael’s Care Home, Clacton-on-Sea

There are 44 beds at St Michael’s purpose-built building. The property faces the promenade and the sea, and many Residents enjoy the added bonus of a sea-view.

St Teresa’s Rest Home, Fishguard

St Teresa’s is a 27 bed Rest Home. The property faces the sea and a small ferry port with regular services to Rosslare, Ireland. Both Welsh and English are spoken by most members of staff thus enabling Residents to communicate in the language of their choice.

The Trustees take very seriously the demands of the *Care Quality Commission* (England) and *The Care Inspectorate Wales* and have worked closely with the local Government Departments to fulfil their obligations. They visit regularly, are involved in interviews and appointments at management level, attend Advisory Board Meetings three times a year and are available to support the Managers, Staff and Residents.

At the three Advisory Board Meetings, attended by Trustees, Care Home Manager, Assistant Manager, Administrators and the Finance Director, the Trustees encourage good management and review the financial implications of care.

OVERSEAS MISSIONS

The Charity has two of its members working overseas in South Africa. The Mission is financially supported by the Charity.

Mercy Mission – Addo, South Africa

Our ministries in Addo continue throughout the Sunday's River Valley through our involvement in Parishes, Schools, Pre-Schools, Computer Training and Health Care. We also provide assistance with ID documents and social grants by transporting people to government offices.

Sadly, the Eastern Cape where we are based has the highest rate of child malnutrition in South Africa. Our Soup Kitchens are very full and people are suffering due to rising food costs and the lack of jobs. We are increasing our efforts in supplying essential food to children and needy adults on a daily basis. We administer these essentials through our Pre-Schools and from our home.



WORK OF THE MEMBERSHIP

“Every place has its own need which must be responded to whenever possible.”

Venerable Catherine McAuley

These words have inspired our actions and explain the variety of ministries in which the members are engaged.

Throughout the year, they have given their time to assist and support all in need through:

- Assisting people to get birth certificates and identity documents (in Addo, South Africa).
- Supporting parents with clothing and food (in Addo, South Africa).
- Providing early childhood education (crèches) (in Addo, South Africa).
- Computer Training (in Addo, South Africa).
- Prayer ministry to parishes, individuals, RCIA groups and parish administrator.
- Eucharistic and reading ministry in church.
- Visitation to the elderly, sick and housebound.
- The Congregational Website.
- Voluntary work in day centres for the homeless/ Soup Kitchens.
- Visits to individuals recovering from alcohol addiction and suffering from Alzheimer's disease.
- Being a Board member for a voluntary organisation that offers counselling to homeless people.
- Running a Parent and Toddler Group/ Over 50s Club.
- Being school pastoral carers including a school governor.
- Being Secretary to the Diocesan Union of Catholic Mothers.
- Accompanying the Latin American Chaplaincy in Liturgies.
- Being a Sacristan at a local church.
- Volunteering with Irish Chaplaincy – supporting clients through listening.
- Spiritual accompaniment.
- Tours of the House (St Mary's, Birmingham).
- Telephone ministry to the travelling community.
- Citizens UK Birmingham.
- Citizens Advice surgery.
- Manresa (Jesuit) link as prayer guide.
- Being members of the Saint Vincent de Paul Society.
- The Mercy Associates – leading prayer sessions and retreat days for the associates.
- Supporting recently arrived migrants in the local area, helping them to find accommodation work and furniture.
- Providing transportation to Mass and church services.
- Working at St Peter's Hospice Shop.
- Spiritual accompaniment/facilitating meditative groups in convent and in prison.
- Ministry to vocation enquirers on behalf of the congregation.
- Bereavement support for families in preparation for a loved one's funeral.
- Being Sacramental Coordinator, preparing children for the sacraments and supporting parents and training/supporting catechists.
- Volunteering in a wellbeing centre at a local hospice.
- Being a Trustee of a national and local charity.
- Administration of the Mercy Centre, Edinburgh and keeping in touch with other agencies working with the marginalised i.e. AA etc.
- Friend catechist with SPRED (Special Religious Education Development).

Our Foundress, Venerable Catherine McAuley, advised us:

“You should make hospitality your special care.”

and members are always ready to extend hospitality to those who visit or call.

We have **1 Sister** who has full-time or part-time ministry and receives remuneration in the form of a fee or stipend for their services.

- Facilitation
- Parish/Pastoral Ministry.

5 Sisters are in full-time ministry of Central Leadership and find some time to:

- Support the National Mercy Associates Commission.
- Volunteer in a Hospice Shop.
- Minister in their local Parish.

1 Sister is in full-time Community Leadership. Her primary role is the pastoral care of the Sisters in community, the co-ordination of activities within the Convent and the overall maintenance of the property. She also outreaches to the local area through:

- Shopping for the housebound.
- Supporting employees and co-workers.
- Parish support.

3 Sisters on a Pastoral Care Team share ministry to the Residents and Staff of a Care Home. They:

- Visit residents in the Home and in Hospital.
- Arrange hospital appointments for residents.
- Promote the charism of Mercy and share the Mercy story with staff and residents.
- Liaise with Management and Staff.
- Co-ordinate the spiritual activities and create opportunities for liturgical celebration in the chapel.
- Support bereaved families and are often asked to help arrange the funeral services of a deceased resident and/or lead the service at the crematorium.

2 Sisters have an additional role in supporting the work of the St Vincent de Paul Society.

4 Sisters are in ministry at the Mercy Spirituality, Heritage and Outreach Centre in Birmingham which is a collaborative community with 1 Sister from The Institute of Our Lady of Mercy.

USE OF CHARITY PROPERTY

The 76 members of the Congregation reside at 25 locations:

17	in England
4	in Scotland
3	in Wales
1	in South Africa

Every five years, at our General Chapter we take a fresh look at our key values of hospitality, spirituality, education and mission among the people with the greatest need locally and globally in contemporary society.

In order to facilitate new and traditional ministries and the pastoral care of the Sisters we evaluate our properties and recognise when they become too large and unfit for purpose, to comply with Charity Law.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

In the course of the year our properties were made available to the public for a variety of purposes, including:

- Retreats;
- Registered Care of Older People;
- Meetings of Mercy Associates;
- Interfaith Groups;
- Christian Prayer Groups;
- Hospitality and accommodation;
- Citizens UK;
- Heritage Tours;
- Support for refugees and asylum seekers;
- Providing meals for homeless people;
- Group meetings of AA and other therapeutic support organisations;
- Support for those experiencing personal trouble or anxiety;
- Social gatherings for local small communities of Sisters;
- Union of Catholic Mothers Committee Meetings;
- Neighbourhood Care Monthly Meetings;
- A Women's Group;
- Manresa Link training prayer guides;
- Archival research;
- Meetings with parishioners;
- Christian meditation groups;
- A Polish mothers' group;
- Our chapels are used by members of the public daily.

SCOTLAND

The members of the Congregation living in Scotland are fully engaged in the activities of the Charity. They are involved in ministry as follows:

- To older people and the housebound;
- To homeless people;
- In hospital and hospice visiting;
- In parish support.

The properties of the Charity are available to the public for:

- A variety of group meetings;
- Days of reflection and workshops for individuals and groups.

One property in a city centre is a major provider of support for homeless people and is open daily from 9.00am – 12.00 noon and 1.00pm – 5.00pm. The house is also available to regular meetings of support groups – AA, Narcotics Anonymous, Alanon. There are also public vespers and regular meetings of volunteers, and spirituality and social outreach groups.

GRANTS AND DONATIONS

Grants and donations are decided by the Trustees. These are in response to appeals from members of the Congregation, from individuals and organisations. The Trustees make decisions according to the Trust Deed, the Constitutions of the Congregation, its Mission Statement and decisions made over the years by the assembled members. The guidelines used in making donations have been expressed at various times as follows:

- We willingly share not only our material possessions but also our friendship, our influence and ourselves, doing so as stewards, not owners (*Constitution 10*).

- The Trustees shall apply the income for the advance of the religious, educational and other charitable work (*Trust Deed*).
- Care of older people, with special concern for those who are not financially secure, and projects for homeless people (*Chapter 1992*).
- Efforts that actively discourage structures that impoverish women, children and the earth (*Chapter 1996*).

These guidelines from the members of the Congregation assist the Trustees in deciding when to make a donation to an individual, other charity or an organisation.

Some “Thank you” letters for specific donations during the current financial year were:

Kids Club Kamapala

We are extremely grateful for your kind support; it really does mean such a lot to us and is a huge blessing to our work. Your generous grant will be put towards our Encouraging Education Project, helping to provide out of school children in the slums of Kampala the opportunity to access education.

Cardinal Hume Centre

How wonderful to receive such a generous donation from the Union of the Sisters of Mercy of Great Britain. Our thanks to all the trustees and community... The Cardinal Hume Centre specifically helps the poor and vulnerable in Westminster, so it is a blessing that we have your support in this mission. ... During Advent, we distributed Christmas gift vouchers totalling almost £10,000 to around 600 clients living in poverty, and additionally supported families via food and essentials donations. Many of these were migrant families and refugees, some of the poorest people in society.

From a prisoner

I just wanted to reach out and say how grateful and – in all honesty – completely overwhelmed I am with the unbelievable act of generosity you have bestowed upon me.

I am truly humbled and appreciate the gesture so much, thank you from the bottom of my heart...

This money will go a long way to helping me achieve my educational goals and, ideally, gaining full-time work in the health and fitness sector when I am released...

It is not only the money; it is the fact that somebody has opened their heart to me and allowed me an opportunity to make a fresh start towards a brand-new ending.

Temwa

On behalf of the Temwa team both here in Bristol and overseas in Malawi, I want to thank you and the other Sisters of Mercy of the Union for the donation received in May to support Temwa's work to support remote communities in northern Malawi.

Your generous contribution will help us to continue providing an infrastructure to support children and families in this region facing financial and humanitarian hardship. These communities are at the forefront of the climate crisis, and are feeling some of the worst effects of global inflation, so Temwa's work is more vital than ever.

We are incredibly grateful for your donation and we look forward to being able to keep you updated on our project work in the coming months.

Camphill School Aberdeen

Thank you for choosing to support Camphill School Aberdeen. The young people, staff and volunteers of Camphill School Aberdeen were thrilled to receive your grant towards the final stages of building our

new 11-bedroom residential house with independent living wing.

Support like this is essential for our charity, especially in the current crisis in care. The new residential home will meet the urgent need to support young people aged 16-25 with learning disabilities and very complex additional support needs. Your generous funds will help us open our doors to an additional 7 young people who are currently living in crisis providing them with a home away from home.

International Nepal Fellowship

We are most grateful to the Trustees for their recent support of our Wheels for Nepal Project in Nepal. The generous grant has been used to help people with disabilities to attend the Wheels for Nepal camp at INF's Green Pastures Hospital and receive a life-changing wheelchair.

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs outline the main achievements during the year in each of the Charity's principal activities.

1. Care for the Members of the Congregation

Throughout the year the Charity continued to assist and encourage the members of the Congregation in their charitable and religious work. Some members who needed care moved to our Care Homes. The Trustees continually monitor the needs of the members and the suitability of property.

2. Social Pastoral Work

Throughout the year Sisters continued to carry out various forms of social and pastoral ministry. This activity enabled the Charity to reach out to those in need within society generally and to benefit a significant number of people.

3. Care Homes

The quality of care being provided in our Homes is an ongoing focus for the Trustees and management. Each home has a Manager and senior staff who are responsible for the day to day running of the Homes.

Each Home has a regular programme of maintenance and decoration. The requirements of the Care Standards Act 2000 has had implications for us and we have responded as required by the Inspectorates.

We have been compliant with:

- the Regulation and Inspection of Social Care (Wales) Act 2016.
- the Health and Social Care Act 2008 and the Care Act 2014 in England.

The following table summarises some of the important statistics regarding the Homes:

	St Teresa's Rest Home			St Michael's Care Home		
	2022	2023	2024	2022	2023	2024
Residents	26	23	22	43	43	43
Occupancy	87%	94%	88%	97.5%	98%	97.2%
Staff – Full time (31 hours & over)	16	20	21	29	27	29
Staff – Part time (30 hours & below)	24	20	21	45	45	45

The Managers seek for full occupancy but there are circumstances that make full occupancy difficult at times: the needs of the enquirer cannot be met; the time needed to decorate a room following a death; waiting for decisions regarding funding. The Trustees sometimes accept a less than full occupancy because they are aware that one of their members may need care soon. Such a situation is rare and full occupancy is desirable.

CARE HOME ACTIVITIES



Dancing to Christmas Songs



Making Autumn Wreaths



A visit from the Easter Bunny



A resident helps with a magic trick

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024**



Summer Crafts



Residents play Bingo



An afternoon of fruit and chocolate



Gardening

FINANCIAL REVIEW

“There is very little good can be accomplished without the aid of money, we must look after it in small as well as in great matters.”

Venerable Catherine McAuley

The Statement of Financial Activities and accompanying notes give an account of the finances of the Charity and their management.

Income received during the year included:

- Members' stipends and pensions. This source of income, the most significant source at present, will continue to decline over the next decade as Sisters retire from remunerated employment and membership numbers fall.
- Care Home fees comprise both local authority and private residents' contributions. The Charity spends more on the care of the elderly than is derived from fees; the shortfall has been supported by income and capital gains on the investments of the Care Home Fund.
- Investment income comprised the remaining source of regular income.

Income from all sources totalled £6.0m (2023: £5.9m). Expenditure totalled £6.8m (2023: £6.91m). Before investment gains/(losses) net expenditure was £0.8m (net expenditure 2023: £1.0m).

Investment income was £1.8m (2023: £1.6m). The increase is due to balances committed to the Donations fund now giving higher returns and higher interest rates available for cash deposits. There were net investment gains in the year of £2.7m (2023: Losses £4.2m). The decision to dispose of other property and subsequent revaluation resulted in a surplus of £0.5m. The net movement in funds was therefore a surplus of £2.4m (2023 deficit £3.9m).

Substantial donations were made in the year to the missions and charitable causes reflecting our commitment particularly to ministries with the poor, the homeless, women and children, and education. During the year £0.95m (2023: £0.78m) was incurred by the Trustees for the care of our Sisters in Residential Care. Much of this care was provided by the Care Homes of the Charity.

The Investment Portfolios of the Charity appear to be substantial in amount but are put into context by consideration of the number of Sisters of whom there are seventy-six and of the other long-term commitments of the Charity for which designation has been made in the accounts. All but a very few of the Sisters are now retired from remunerated employment and others, after a lifetime of service for the Charity, have need of residential care.

RESERVES POLICY

Total funds at the year-end stood at £72.8m (2023: £70.4m) of which £64.9m (2023: £63.0m) is designated. The Trustees feel it is necessary to designate those funds required for particular purposes and this policy is explained in full in note 12 to the accounts.

RESERVES POLICY (CONTINUED)

General funds are retained to provide resources to meet the long-term commitments of our mission, for future compliance and administration costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement, the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves.

The Trustees' target is to hold £7 million in reserve. The General Fund at the year-end stood at £7.9m (2023: £7.4m) and the trustees will aim to increase. The Trustees consider the current reserves, although not excessive, to be adequate for its requirements and anticipate that proceeds from a forthcoming surplus from asset sales will increase the General Fund to its approximate target.

INVESTMENT POLICY

The Charity's investments are managed as indicated on Page 1. There are no restrictions on the Charity's power to invest. The Trustees, the General Bursar and Finance Director for the Congregation meet the Investment Managers twice a year. At these meetings the performance is reviewed, the income requirement discussed, and the likely market trends presented. The Trustees have in place an Ethical Policy that is reviewed annually. This is a broad policy that attempts to protect the objectives of the Charity as a Catholic Charity and yet give the Managers the freedom to maximise the investment money.

PAY POLICY FOR SENIOR STAFF

The Trustees and the senior management team comprise the key management personnel of the charity, in charge of operating and controlling the Charity on a day-to-day basis. All Trustees give of their own time freely and received no remuneration in the year. Details of Trustees' related party transactions are disclosed in note 2 to the accounts.

The Trustees benchmark the pay of senior staff against pay levels in other comparable organisations on appointment and are advised by specialist consultants where necessary. This is reviewed annually to take account of increases in average earnings and the cost of living.

REVIEW OF DEVELOPMENTS DURING YEAR

The Trustees are confident that the finances will allow them to continue to develop the works of the Congregation. They continue to review all their assets. Communities are reducing in number, and this has an effect on the individual communities with regard to the size of property.

FUTURE PLANS

The Trustees plan:

- to continue to support the Sisters and enable them to carry out their pastoral ministry.
- to monitor the needs of the Sisters as they grow older and to take appropriate action when care needs arise.
- to continue supporting their missions abroad.
- to collaborate with the Institute of Our Lady of Mercy at St Mary's Convent, Handsworth, Birmingham, which has been designated a heritage centre for all the Sisters of Mercy and Associates in the UK and serves the local community and environment;
- to financially support programmes and events to enable Associate members, co-workers and colleagues to fulfil their role in Church and Society.
- to provide the highest possible care for the Residents of the Care Homes and to meet the requirements laid down by the *Care Quality Commission, England* and the *Care Inspectorate Wales*.
- to continue to share our resources with other communities in need and contribute generously to the

needs of the Church and the world.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England/Wales & Scotland requires the Trustees to prepare financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

MEMBERS OF THE CONGREGATION, EMPLOYEES AND VOLUNTEERS

The Trustees acknowledge the dedication and commitment of the members of the Congregation, their employees and volunteers in enabling the mission of the Charity to be fulfilled and developed.

Approved by the Trustees on 1st October 2024 and signed on their behalf by:

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Sisters of Mercy of the Union of Great Britain for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of the charity's net movement in funds 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 charity 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 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 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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. 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 23 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 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 FINANCIAL STATEMENTS

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 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 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 is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of trustees meetings.
- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

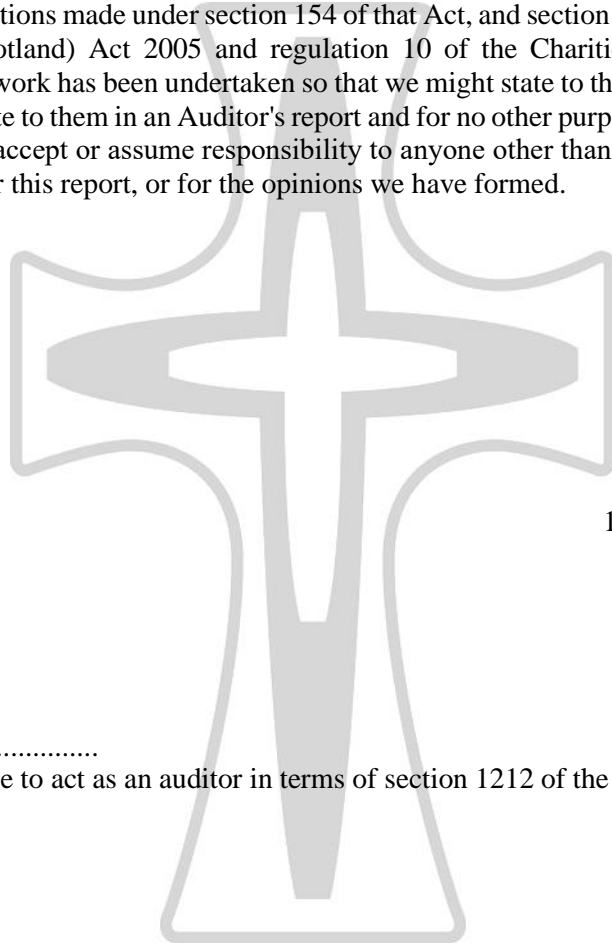
THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



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Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:

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

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	General Funds £	Designated Funds £	Total 2024 £	Total 2023 £
Income and endowments from:					
Donations and legacies					
Members' salaries and pensions		1,822,637	-	1,822,637	1,750,962
Other donations and legacies		109,358	45,021	154,379	229,569
Charitable activities					
Care Home Fees receivable		-	2,020,724	2,020,724	2,136,320
Investments					
Investment Income	3	167,946	1,655,461	1,823,407	1,631,243
Other Income					
Rents		68,940	-	68,940	68,256
Gains on sale of fixed assets		20,195	-	20,195	23,824
Other income		36,590	31,914	68,504	26,828
Total income		<u>2,225,666</u>	<u>3,753,120</u>	<u>5,978,786</u>	<u>5,867,002</u>
Expenditure on:					
Raising funds					
Investment managers' fees		-	17,797	17,797	17,906
Charitable activities					
Support for members and their mission	4a	1,863,374	1,147,091	3,010,465	3,202,900
Care of the elderly		346,714	3,146,457	3,493,171	3,366,207
Relief of hardship		3,724	43,648	47,372	69,564
Other charitable activities		15,465	181,276	196,741	237,486
Total expenditure		<u>2,229,277</u>	<u>4,536,269</u>	<u>6,765,546</u>	<u>6,894,063</u>
Net income / (expenditure) before other gains		(3,611)	(783,149)	(786,760)	(1,027,061)
Net (losses) / gains on investments	9	-	2,689,402	2,689,402	(4,172,418)
Revaluation of property held for resale		457,516	-	457,516	1,343,000
Net income		453,905	1,906,253	2,360,158	(3,856,479)
Transfers between funds	12	54,088	(54,088)	-	-
Net movement in funds		507,993	1,852,165	2,360,158	(3,856,479)
Total funds brought forward at 1 April 2023		<u>7,385,333</u>	<u>63,023,337</u>	<u>70,408,670</u>	<u>74,265,149</u>
Total funds carried forward at 31 March 2024		<u>£7,893,326</u>	<u>£64,875,502</u>	<u>£ 72,768,828</u>	<u>£70,408,670</u>

All amounts derive from continuing activities. All gains and losses are included in the Statement of Financial Activities.

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		10,455,654		10,990,163
Investments	9		53,923,564		50,231,759
CURRENT ASSETS					
Debtors	10	250,457		141,275	
Fixed asset held for resale		671,614		1,750,000	
Term deposits		4,000,000		5,055,493	
Cash at bank and in hand		3,836,686		2,547,035	
		<u>8,758,757</u>		<u>9,493,803</u>	
CREDITORS: Amounts falling due within one year					
	11	<u>(369,147)</u>		<u>(307,055)</u>	
NET CURRENT ASSETS			<u>8,389,610</u>		<u>9,186,748</u>
TOTAL NET ASSETS			<u>£72,768,828</u>		<u>£70,408,670</u>
UNRESTRICTED FUNDS					
Designated Funds: 12					
Convent Fund		202,375		208,835	
Donations Fund		16,548,558		16,082,446	
Property Fund		10,391,709		10,950,078	
Retirement and Care Fund		37,375,006		35,149,313	
Residential Care Homes Fund		<u>357,854</u>		<u>632,665</u>	
			64,875,502		63,023,337
General Funds	12		<u>7,893,326</u>		<u>7,385,333</u>
			<u>£72,768,828</u>		<u>£70,408,670</u>

Approved by the Trustees on 1st October 2024 and signed on their behalf by

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash Flows from operating activities			
Net cash (used in) operating activities		(2,332,206)	(2,371,513)
Cash flows from investing activities			
Dividends, interest and rents from investments		1,823,407	1,631,243
Proceeds from the sale of motor vehicles		20,195	28,750
Proceeds from the sale of property and equipment		1,909,220	-
Purchase of fixed assets		(57,736)	(31,030)
Purchase of asset held for resale		(126,319)	-
Proceeds from sale of investments		-	44,550
Purchase of investments		(1,000,000)	(1,000,828)
Net cash provided by investing activities		<u>2,568,767</u>	<u>672,685</u>
Change in cash and cash equivalents in the reporting period		236,561	(1,698,828)
Cash and cash equivalents at the beginning of the reporting period		<u>7,609,976</u>	<u>9,308,804</u>
Cash and cash equivalents at the end of the reporting period		<u>£7,846,537</u>	<u>£7,609,976</u>
		2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)		2,360,158	(3,856,479)
Adjustments for:			
Depreciation charges		346,625	363,346
Profit on disposal of fixed assets		(20,195)	(23,824)
On reclassification of fixed asset as current asset		(458,895)	(1,343,000)
Losses/(Gains) on investments		(2,689,402)	4,172,418
Dividends, interest and rents from investments		(1,823,407)	(1,631,243)
Decrease/(increase) in debtors		(109,182)	(49,933)
Increase/(decrease) in creditors		62,092	(2,798)
Net cash provided (used in) operating activities		<u>£(2,332,206)</u>	<u>£(2,371,513)</u>
Analysis of cash and cash equivalents		2024 £	2023 £
Term deposits		4,000,000	5,055,493
Cash in hand		3,836,686	2,547,035
Cash held by broker		9,851	7,448
Total cash and cash equivalents		<u>£7,846,537</u>	<u>£7,609,976</u>

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

a) General information

The Union of the Sisters of Mercy of Great Britain is an unincorporated registered charity in England and Wales (number 288158) and in Scotland (number SCO39153). Its registered address is Mercy Union Generalate, 11 Harewood Avenue, London, NW1 6LD.

b) Basis of preparation

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity’s ability to continue as a going concern. The review of our financial position, reserve levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

d) Funds Structure

All the funds of the Charity are unrestricted funds. Unrestricted funds comprise those funds that the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in notes 12.

e) Tangible Fixed Assets

Land and buildings are stated at their cost or deemed cost based on existing use value as at 31 March 1997. All motor vehicles are capitalised at cost.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Freehold land	not depreciated
Freehold buildings	50 years
Leasehold buildings	50 years
Plant and machinery	10 years
Motor vehicles	4 years

f) Investments

Investments are a form of basic financial instrument and are initially shown in the accounts at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end of the year and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

ACCOUNTING POLICIES (continued)

f) Investments (continued)

In addition, the Charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the Charity at a fixed future date. No value can readily be attributed to the contract as future returns are dependent on bonuses which in turn depend on investment returns and inflation. Therefore the asset included in the balance sheet in respect of this scheme is valued on the basis of premiums paid to date in respect of Sisters still in the scheme. Receipts on maturity are recognised as investment gains net of the relevant premiums paid and the annual premiums are included as addition to the Deferred Annuity Contract.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Fees Receivable

Fees receivable are accounted for in the period in which the relevant services are provided.

k) Members' Salaries and Pensions

Members' salaries and pensions are received under Deeds of Covenant from members of The Union of the Sisters of Mercy and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

l) Legacies and Donations

Legacies and donations are recognised when receivable or when the Charity becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

m) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity.

n) Irrecoverable VAT

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

1. ACCOUNTING POLICIES (continued)

o) Charitable activities

Direct charitable expenditure consists of all expenditure directly relating to the objects of the Charity. The cost of charitable activities includes grants made and an apportionment of overhead and support costs as shown in note 4.

p) Allocation of overhead and support costs

Overhead and support costs exclusively incurred for a particular activity have been allocated to that activity. General overhead and support costs have been allocated between charitable activities in line with the proportion of total direct and grant funded costs incurred on each activity. The allocation of overhead and support costs is analysed in note 4.

q) Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension Scheme

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the accounts represent the contributions payable in the year.

r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

2. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and assets. They are therefore entirely dependent on the Charity for all their living expenses. The Trustees do not receive any payments or benefits for carrying out their duties other than their living expenses which are met by the Charity in their capacity as members of the Religious Order.

INVESTMENT						
3	INCOME		2024	2023		
			£	£		
	Listed Investments		1,653,910	1,585,204		
	Cash Deposits		169,497	46,039		
			<u>£1,823,407</u>	<u>£1,631,243</u>		
4a	ANALYSIS OF CHARITABLE EXPENDITURE	Activities undertaken Directly	Grant Funded Activities	Support Costs	Total	
		£	£	£	Total	
					2024	
					2023	
					£	
	Support for members and their mission	2,773,821	-	236,644	3,010,465	3,202,900
	Care of the elderly	3,208,457	10,126	274,588	3,493,171	3,366,207
	Relief of Hardship	-	43,648	3,724	47,372	69,564
	Other Charitable activities					
	Evangelisation	-	73,011	6,229	79,240	68,314
	Children's charities	-	3,500	299	3,799	8,658
	Education	-	11,000	938	11,938	4,978
	Homeless	-	13,500	1,151	14,651	27,596
	Medical	-	8,000	683	8,683	49,257
	Missions	-	67,765	5,781	73,546	77,601
	Women's Charities	-	4,500	384	4,884	1,082
		<u>£5,982,278</u>	<u>£235,050</u>	<u>£530,421</u>	<u>£6,747,749</u>	<u>£6,876,157</u>
	ANALYSIS OF SUPPORT COSTS	Support for Members	Care of the Elderly	Relief of Hardship	Other	2024 Total
		£	£	£	£	£
	Staff	171,809	199,358	2,704	11,228	385,099
	Administration	37,500	43,512	590	2,451	84,053
	Professional	8,597	9,975	135	562	19,269
	Governance (audit fees)	18,738	21,743	295	1,224	42,000
		<u>£236,644</u>	<u>£274,588</u>	<u>£3,724</u>	<u>£15,465</u>	<u>£530,421</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

4b ANALYSIS OF CHARITABLE EXPENDITURE	Activities undertaken Directly £	Grant Funded Activities £	Support Costs £	2023 Total £	
Support for members and their mission	2,959,594	-	243,306	3,202,900	
Care of the elderly	3,040,030	70,466	255,711	3,366,207	
Relief of Hardship	-	64,280	5,284	69,564	
Other Charitable activities					
Evangelisation	-	63,125	5,189	68,314	
Children's charities	-	8,000	658	8,658	
Education	-	4,600	378	4,978	
Homeless	-	25,500	2,096	27,596	
Medical	-	45,515	3,742	49,257	
Missions	-	71,706	5,895	77,601	
Women's Charities	-	1,000	82	1,082	
	<u>£5,999,624</u>	<u>£354,192</u>	<u>£522,341</u>	<u>£6,876,157</u>	
ANALYSIS OF SUPPORT COSTS					
	Support for Members £	Care of the Elderly £	Relief of Hardship £	Other £	2023 Total £
Staff	167,486	176,026	3,638	12,418	359,568
Administration	38,678	40,650	840	2,868	83,036
Professional	18,696	19,649	406	1,386	40,137
Governance (audit fees)	18,446	19,386	400	1,368	39,600
	<u>£243,306</u>	<u>£255,711</u>	<u>£5,284</u>	<u>£18,040</u>	<u>£522,341</u>
5 ANALYSIS OF GRANTS					
			2024 Total	2023 Total	
			£	£	
Grants made to institutions			176,265	267,676	
Grants made to individuals			58,785	86,516	
			<u>£235,050</u>	<u>£354,192</u>	
			Number	Number	
Institutions			41	39	
Individuals			<u>13</u>	<u>20</u>	

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

6 RECIPIENTS OF INSITUTIONAL GRANTS:	2024	2023
	£	£
Large Institutional Donations		
Diocese of Westminster	8,000	8,000
Diocese of Aberdeen	-	2,000
Diocese of Birmingham	4,000	4,000
Diocese of Brentwood	4,000	4,000
Diocese of Clifton	4,000	4,000
Diocese of Edinburgh	4,000	4,000
Diocese of Glasgow	4,000	4,000
Diocese of Menevia	2,000	4,000
Diocese of Motherwell	4,000	4,000
Diocese of Plymouth	4,000	2,000
Diocese of Shrewsbury	4,000	4,000
Providence Row Charity	10,000	20,000
Daniel's Corporation, Romania	37,843	37,798
St Joseph's Hospice	-	15,000
St John's Hospice	-	20,000
Parish of the Immaculate Heart of Mary	5,000	-
SACRO	5,000	-
Addo, South Africa	31,422	36,873
Nigeria School	5,000	5,000
Corpus Christi, Stechford	-	5,000
Church of the Holy Redeemer	5,000	-
CAFOD	5,000	5,000
SCIAF	-	5,000
Ashford Place	5,000	5,000
Irish Chaplaincy	5,000	5,000
Other	20,000	64,005
	<u>176,265</u>	<u>267,676</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

7 STAFF COSTS	2024	2023
	£	£
Wages and Salaries	2,454,225	2,290,922
Social Security costs	162,667	142,652
Other Pension Costs	169,923	139,743
	<u>£2,786,815</u>	<u>£2,573,317</u>

The key management personnel of the charity comprise the Trustees, the General Bursar, the Finance Director, the Buildings Surveyor and the Care Home Managers. The total employee benefits of the key management personnel of the charity was £252,057 (2023: £217,625). The average monthly head count was 128 staff (2023:126 staff) and the average number of full-time equivalent employees (including part-time staff) was:

	2024	2023
	Number	Number
Residential Homes	83	81
Convents	3	3
Other	5	5
	<u>91</u>	<u>89</u>

One member of staff received between £60,001 and £65,000 per annum (2023 -1). The 76 Sisters of the Order who are under vows of Poverty, Chastity and Obedience conduct many of the activities of the Charity. No amounts are included in Staff Costs in respect of Sisters' services.

8 TANGIBLE FIXED ASSETS

	Freehold land and Buildings £	Leasehold land and Buildings £	Plant and Machinery £	Motor Vehicles £	Total £
Valuation					
At 1 April 2023	16,189,528	329,896	944,769	315,396	17,779,589
Additions	-	-	-	57,736	57,736
Disposals	-	-	(223,501)	(51,794)	(275,295)
Transfer to property held for resale	-	(120,000)	-	-	(120,000)
At 31 March 2024	<u>16,189,528</u>	<u>209,896</u>	<u>721,268</u>	<u>321,338</u>	<u>17,442,030</u>
Depreciation					
At 1 April 2023	6,187,890	70,200	256,025	275,311	6,789,426
Eliminated on disposal	-	-	(64,281)	(51,794)	(116,075)
Charge for the year	238,023	2,600	72,126	33,876	346,625
Transfer to property held for resale	-	(33,600)	-	-	(33,600)
At 31 March 2024	<u>6,425,913</u>	<u>39,200</u>	<u>263,870</u>	<u>257,393</u>	<u>6,986,376</u>
Net Book Value					
At 31 March 2024	<u>9,763,615</u>	<u>170,696</u>	<u>457,398</u>	<u>63,945</u>	<u>10,455,654</u>
At 31 March 2023	<u>10,001,638</u>	<u>259,696</u>	<u>688,744</u>	<u>40,085</u>	<u>10,990,163</u>

Apart from a small proportion of excess accommodation which is let and minimal use for management and administrative purposes, all fixed assets are held for direct charitable purposes.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

9	INVESTMENTS	2024	2023
		£	£
	Listed investments	53,913,713	50,224,311
	Portfolio cash	9,851	7,448
	At 31 March 2024	<u>£53,923,564</u>	<u>£50,231,759</u>

	Donations Fund £	Retirement Fund £	Total £
Market Value at 1 April 2023	15,082,446	35,141,865	50,224,311
Additions	1,000,000	-	1,000,000
Disposals	-	-	-
Realised gains	-	-	-
Unrealised revaluation gains/(losses)	466,112	2,223,290	2,689,402
	<u>16,548,558</u>	<u>37,365,155</u>	<u>53,913,713</u>
Portfolio Cash	-	9,851	9,851
Market Value at 31 March 2024	<u>£16,548,558</u>	<u>£37,375,006</u>	<u>£53,923,564</u>
Cost at 31 March 2024	<u>£13,000,000</u>	<u>£33,230,676</u>	<u>£46,230,676</u>

	Listed Investments £	Total £
UK Managed funds	<u>£53,913,713</u>	<u>£53,913,713</u>

10	DEBTORS	2024	2023
		£	£
	Trade and other debtors	104,965	108,872
	Prepayment and accrued income	145,492	32,403
		<u>£250,457</u>	<u>£141,275</u>

11	CREDITORS: Amounts falling due within one year	2024	2023
		£	£
	Trade creditors	158,477	123,717
	Other taxes and social security	27,098	22,406
	Other creditors	-	5,615
	Accruals and deferred income	183,572	155,317
		<u>£369,147</u>	<u>£307,055</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

12. CHARITABLE FUNDS

- a) The Trustees have designated funds out of the unrestricted funds for specific purposes as follows:

Convent Fund

75 Sisters form the membership of the Charity residing in 26 locations. The Trustees have designated funds to provide for the day to day running of these convents. Funds of £1,044,508, were transferred from the general fund during the year.

Donations Fund

A fund has been designated backed by a portfolio of investments. The purpose of this fund is to support the charitable activities, other than support for its members, of the Charity.

Property Fund

In order to fulfil its charitable objectives, the Charity needs a large number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Charity's work. Trustees therefore feel that it is appropriate to reflect the book value of properties by means of a designated fund. The movement in the Property Fund represents the property transactions and depreciation in properties during the year. With effect from 31 March 2020, this now includes non-moveable plant and equipment.

Retirement and Care Fund

A fund has been designated to enable the Charity's commitment to provide for the retirement and care in old age and sickness of its members including the cost of nursing and residential care home fees. An initial designation of £30.3 million which has subsequently grown to £37.3 million has been made whilst the Trustees have estimated that a fund of some £41 million will be required to make provision for the ongoing needs of members after taking account of their occupational pension rights. The Trustees have designated an investment portfolio for this Fund and the deferred annuity contract pension scheme established for certain Sisters.

Residential Care Homes Fund

The charity operates two residential care homes. The Trustees consider it appropriate to designate funds for the working capital requirements of these activities. During the year there was a transfer from the General Fund of £704,672.

- b) ***General Fund***

General funds are retained to provide resources to meet the long-term commitments of our mission, for future administration and compliance costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. The General Fund at the year-end stood at £72.8 million.

The Trustees' have calculated that a reserve of £7 million is an appropriate amount for this purpose. Sales proceeds from surplus assets in the forthcoming year will bring the General Fund to its target level of reserves.

All unrestricted funds are available to be spent for any of the purposes of the charity. The Charity's salary and pension income and significant items of property, care fees and grant expenditure has been centralised. For administrative simplicity most such income and expenditure is conducted through the General Fund bank accounts. Periodically, transfers of income and capital are made from other Funds into the General Fund in order to maintain the General Fund near to target levels.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

12c ANALYSIS OF CHARITABLE FUNDS
2024

	Balance at 1 April 2023	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2024
	£	£	£	£	£	£
Convent Fund	208,835	47,113	(1,044,508)	990,935	-	202,375
Donations Fund	16,082,446	480,477	(201,761)	(278,716)	466,112	16,548,558
Property Fund	10,950,078	-	(240,623)	(317,746)	-	10,391,709
Retirements and Care Fund	35,149,313	1,173,433	(17,797)	(1,153,233)	2,223,290	37,375,006
Residential Care Homes Fund	632,665	2,052,097	(3,031,580)	704,672	-	357,854
Designated Funds	63,023,337	3,753,120	(4,536,269)	(54,088)	2,689,402	64,875,502
General Fund	7,385,333	2,683,182	(2,229,277)	54,088	-	7,893,326
	<u>£70,408,670</u>	<u>£6,436,302</u>	<u>£(6,765,546)</u>	<u>£-</u>	<u>£2,689,402</u>	<u>£72,768,828</u>

d) ANALYSIS OF CHARITABLE FUNDS
2023

	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2023
	£	£	£	£	£	£
Convent Fund	207,838	124,595	(1,035,100)	911,502	-	208,835
Donations Fund	17,443,135	432,861	(304,783)	(128,078)	(1,360,689)	16,082,446
Property Fund	11,692,177	-	(240,623)	(501,476)	-	10,950,078
Retirements and Care Fund	38,002,470	1,152,343	(17,906)	(1,175,865)	(2,811,729)	35,149,313
Residential Care Homes Fund	495,686	2,158,494	(2,841,066)	819,551	-	632,665
Designated Funds	67,841,306	3,868,293	(4,439,478)	(74,366)	(4,172,418)	63,023,337
General Fund	6,423,843	3,341,709	(2,454,585)	74,366	-	7,385,333
	<u>£74,265,149</u>	<u>£7,210,002</u>	<u>£(6,894,063)</u>	<u>£-</u>	<u>£(4,172,418)</u>	<u>£70,408,670</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

13 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR

	General Funds	Designated Funds	Total 2023
	£	£	£
Income and endowments from:			
Donations and legacies			
Members' salaries and pensions	1,750,962	-	1,750,962
Other donations and legacies	109,534	120,035	229,569
Charitable activities			
Care Home Fees receivable	-	2,136,320	2,136,320
Investments			
Investment Income	45,576	1,585,667	1,631,243
Other Income			
Rents	68,256	-	68,256
Gains on sale of fixed assets	23,824	-	23,824
Other income	557	26,271	26,828
Total income	<u>1,998,709</u>	<u>3,868,293</u>	<u>5,867,002</u>
Expenditure on:			
Raising funds			
Investment managers' fees	-	17,906	17,906
Charitable activities			
Support for members and their mission	2,081,074	1,121,826	3,202,900
Care of the elderly	350,187	3,016,020	3,366,207
Relief of hardship	5,284	64,280	69,564
Other charitable activities	18,040	219,446	237,486
Total expenditure	<u>2,454,585</u>	<u>4,439,478</u>	<u>6,894,063</u>
Net Income / (expenditure) before other gains	(455,876)	(571,185)	(1,027,061)
Net (losses)/gains on investments	-	(4,172,418)	(4,172,418)
Revaluation of property for resale	1,343,000	-	1,343,000
Net income	887,124	(4,743,603)	(3,856,479)
Transfers between funds	<u>74,366</u>	<u>(74,366)</u>	<u>-</u>
Net movement in funds	961,490	(4,817,969)	(3,856,479)
Total funds brought forward at 1 April 2022	<u>6,423,843</u>	<u>67,841,306</u>	<u>74,265,149</u>
Total funds carried forward at 31 March 2023	<u>£7,385,333</u>	<u>£63,023,337</u>	<u>£70,408,670</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

14a. ANALYSIS OF NET ASSETS BY FUND 2024

	Designated Funds					General Fund	Total Funds
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund		
	£	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by							
Tangible fixed assets	-	-	10,391,709	-	-	63,945	10,455,654
Investments	-	16,548,558	-	37,375,006	-	-	53,923,564
Current Assets	202,375	-	-	-	556,964	7,999,418	8,758,757
Current liabilities	-	-	-	-	(199,110)	(170,037)	(369,147)
	<u>£202,375</u>	<u>£16,548,558</u>	<u>£10,391,709</u>	<u>£37,375,006</u>	<u>£357,854</u>	<u>£7,893,326</u>	<u>£72,768,828</u>
Unrealised gains included above on listed investments	£-	£3,548,552	£-	£4,144,365	£-	£-	£7,692,917

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

ANALYSIS OF NET ASSETS BY
14b. FUND 2023

Designated Funds

	Designated Funds						
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund	General Fund	Total Funds
	£	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:							
Tangible fixed assets	-	-	10,950,078	-	3,224	36,861	10,990,163
Investments	-	15,082,446	-	35,149,313	-	-	50,231,759
Current assets	208,835	1,000,000	-	-	819,102	7,465,866	9,493,803
Current liabilities	-	-	-	-	(189,661)	(117,394)	(307,055)
	<u>£208,835</u>	<u>£16,082,446</u>	<u>£10,950,078</u>	<u>£35,149,313</u>	<u>£632,665</u>	<u>£7,385,333</u>	<u>£70,408,670</u>
Unrealised gains / (losses) included above on listed investments	£-	£3,082,446	£-	£1,948,506	£-	£-	£5,030,952

15 Related party transactions

There were no related party transactions in either the current or prior year other than those referred to in note 2.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

England & Wales - Charity number 288158

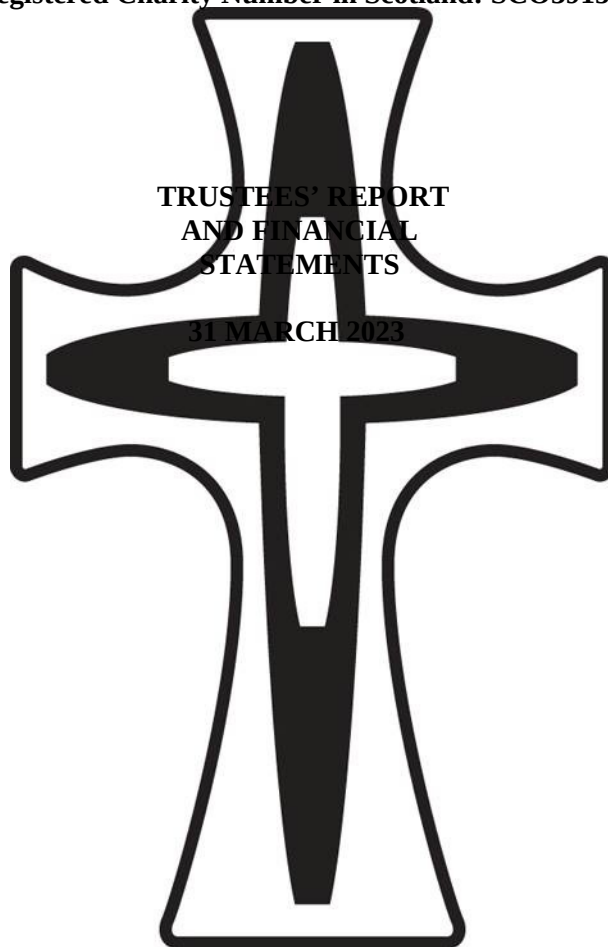
Accounts

**THE UNION OF THE SISTERS OF
MERCY OF GREAT BRITAIN**

**(Registered Charity Number in England and Wales: 288158)
(Registered Charity Number in Scotland: SCO39153)**

**TRUSTEES' REPORT
AND FINANCIAL
STATEMENTS**

31 MARCH 2023



**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Name: The Union of the Sisters of Mercy of Great Britain
(We are also known as Sisters of Mercy of the Union)

Governing Instruments: Trust Deed dated 29 September 1991

Address: Mercy Union Generalate
11 Harewood Avenue
London NW1 6LD

Charity Commission No: England and Wales 288158
Scotland SCO39153

The Trustees who served during the year are: Sister Geraldine Lawlor (Superior)
Sister Margaret Jones
Sister Mary McGrath
Sister Annette McCartan
Sister Johanna Moloney

The Finance Director to the Trustees is: Mr Alan Wraight

The Property Surveyor to the Trustees is: Mr Brian Kervick

The Solicitors are: IBB Solicitors
Capital Court
30 Windsor Street
UB8 1AB

The Independent Auditors are: Haysmactyre LLP
10 Queen Street Place
London EC4R 1AG

The Investment Advisers: Rathbone Brothers PLC
8 Finsbury Circus
London EC2M 7AZ
BlackRock
12 Throgmorton Avenue
London EC2N 2DL

The Bankers are: Bank of Ireland
PO Box 2124
Belfast BT1 9RS

Investment Powers: There are no restrictions on the powers of investment.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice For Charities (SORP 2015) (Second Edition), effective 1 January 2019.

INTRODUCTION

The Congregation of the Sisters of Mercy was founded by Catherine McAuley in 1831 in Dublin, Ireland. The Union of the Sisters of Mercy, who number eighty Sisters, have Convents throughout England, Scotland and Wales and Residential Care Homes in England and Wales. Historically, Convents of Mercy have considerable autonomy in the conduct of their day-to-day affairs. The Leadership Team, who are the Trustees, supervise and control the activities of the Charity. Each Convent and Care Home send accounts to the General Bursar who, with the Finance Director, supports the Trustees in their management of the assets of the Charity.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Every five years, representatives of the Congregation meet in General Chapter with a twofold purpose:

- to set the direction for the next five years
- to elect a Congregational Leader and Team to implement decisions made.

The Leader and Team are responsible for the pastoral care of the members and make regular visits to each community. The purpose of these visits is to provide support for the Sisters in their personal lives and in their ministry.

The Charity is governed by a Trust Deed dated 29 September 1991 and is a registered charity – Charity Registration Number 288158. The Trustees were incorporated as a body under a Certificate of Incorporation issued by the Charity Commission on 25 June 1984. The Trustees of the Charity are the elected members of the Congregation and, therefore, have a good knowledge of the work of the Charity and its structure.

GDPR

There are GDPR and Privacy policies in place both overarching and those specific to the care homes. All information and data collected and stored is essential for the mission and operational functioning of the Charity. Further work is to be undertaken in 2023 to review and update these policies and working arrangements to ensure they meet the current requirements of GDPR and best practice.

The names of the Trustees who served during the year are set out as part of the reference and administrative details on page 1 of this report. The Trustees bring to their role a wide variety of leadership and management experience gained in their professional lives and through membership of Boards. They usually attend lectures, conferences and workshops that equip them for their current role. During the financial year covered by the report, we have attended the following courses via Zoom and in person.

Trustee responsibility conferences:

- Safeguarding Leads Zoom meeting (Religious Life Safeguarding Service (RLSS)).
- Safe Spaces / Hurt by abuse (RLSS/CSSA).
- Supporting survivors of abuse (RLSS).
- Investment Managers meetings with Trustees – Blackrock / CCLA / Rathbones.
- IBB Solicitors Annual Charity Update.
- Archives Zoom.
- Supporting the Alzheimer's Society.

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
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- MIA (Mercy International Association).
- Strategic Planning for the future.
- Leadership and Cultural Change (Catholic Safeguarding Standards Agency (CSSA))

Working with Other Organisations / Engaging with Other Professionals

- Institute, Federation and Union (IFU) meetings, Zoom.
- Conference of Religious (CoR) General Meeting, Zoom.

Caring for the Environment

- Environment Tree planting.
- Neighbourhood and Environmental Meeting.

General topics:

- Synodal Process.
- Refugees and Migrants (Ukraine).
- Role of Women in the Church.
- Bereavement and Loss.
- Citizens UK/Birmingham.

Individual Trustee Attendance:

- Union of International Superiors General (UISG) Zoom.
- Mercy International Association.
- Bursars Conference.

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet at least monthly to review developments with regard to the Charity and its activities and make appropriate decisions following their review of property, finance, personnel and future needs. The Trustees seek professional advice when making decisions concerning the assets of the Charity. They engage the following professionals:

- Solicitors
- Surveyors (valuation and building)
- Investment Managers
- Accountants
- Health Care Specialists
- HR consultant
- Insurance Brokers.

The day-to-day management of the Charity's activities and implementation of policies is handled by the Trustees, General Bursar, Finance Director and Surveyor.

WORKING WITH OTHER ORGANISATIONS

In order to carry out its mission, the Charity works closely with other charities and public bodies. Working collaboratively with other agencies and charities is of significance to the Trustees. By doing so, the members of the Congregation are able to minister across a wider spectrum of society. Some of the organisations with which members have been engaged are:

- 9 Dioceses of the Roman Catholic Church.
- The Lodging House Mission, Church of Scotland/The Marie Trust, Glasgow.
- Care Inspectorate Wales (CIW).
- Care Quality Commission (CQC), England.

- Education Authorities.
- Other Mercy Congregations in the UK and overseas.
- Other Religious Congregations both male and female.
- Committed to a safer Catholic Church.
- Scottish Safeguarding Agency.

FUNDRAISING

The charity receives donations from the general public but does not actively solicit funds for its activities either directly with the public or through the use of any third party fundraisers. No complaints were received during the year.

RISK MANAGEMENT

The Trustees have instituted a risk review programme to identify major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees will continue to review major risks on an annual basis. In particular

Operational risk

As well as providing care and support for its own members within its own communities, the Charity also owns and operates two care homes which are available to members of the public. These care facilities are subject to regulation by the Care Quality Commission (CQC) and the Care Inspectorate Wales (CIW). To ensure compliance with the requirements of these bodies, the Trustees and senior management are required to attend seminars to alert them to any changes in requirements. If necessary, the Trustees engage a consultant in care home management to support themselves and local management and engage an experienced HR Consultant to assist with all employment matters.

Additionally, the Trustees have engaged the services of the Risk Management Department of their Insurance Brokers to undertake the Risk Assessment requirements of all their larger establishments.

Financial risk

The age profile of the members is increasing and there is an obligation to financially provide for them in retirement, especially those requiring care in old age. A designated fund has been formed to hold a professionally administered fund of investments sufficient to provide an income to achieve this.

Missionary risk

The Mission Statement commits the Congregation to work to alleviate poverty. In furtherance of this, with the number of members able to directly participate in this mission declining, the Trustees have designated a donations fund comprising of a professionally administered fund of investments. Income arising is designated for charitable grants and the Trustees receive regular reports to monitor expenditure and ensure it is consistent with its intended purpose.

OBJECTS

The Objects of the Charity are the advancement of religious and other charitable work, for the time being, carried on by or under the direction of The Union of the Sisters of Mercy of Great Britain (“charity”) as the Trustees, with the approval of the Superior of the Congregation, shall from time to time think fit. If at any time the Society shall cease to exist or shall cease to carry on or direct any charitable work, then the Object shall become such lawful charitable purposes connected with the advancement of the Roman Catholic Religion as the Trustees shall decide.

MISSION STATEMENT

“We, The Union of the Sisters of Mercy, in the spirit of Catherine McAuley, commit ourselves to be mercy to all, with a preferential option for the poor.”

We embrace the challenge of new ministries and will explore creative ways of sharing our life with others, for the sake of the Kingdom.”

We carry out our Mission of Mercy inspired by Gospel values and guided by the charism of the Congregation which is to benefit the public, particularly women and children and those who are poor. This commitment is manifested in the activities of the Charity.

PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to public benefit guidance published by the Charity Commission in determining the objectives for the year and the activities undertaken by the Charity.

The Charity Commission in its “Charities and Public Benefit” Guidance states that there are two key principles to be met in order to show that an organisation’s aims are for the public benefit; firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity and the activities reported on to achieve those aims, meet these two principles.

ACTIVITIES

The activities of the Charity can be divided into four principal areas:

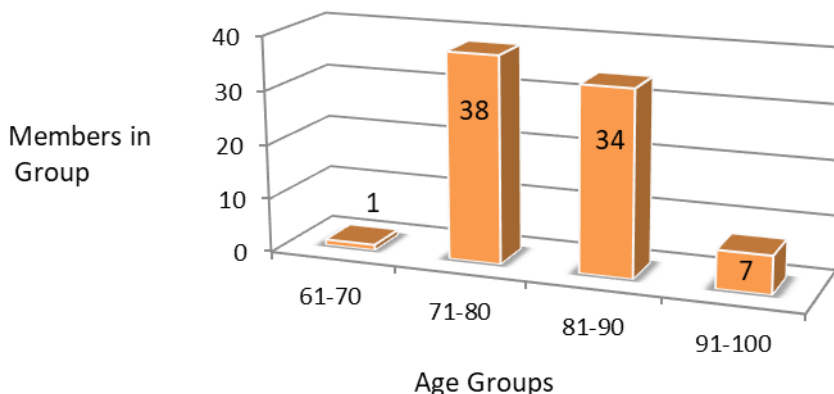
- Caring for the members of the Congregation.
- The social and pastoral work of the Sisters.
- The ownership and operation of Care Homes.
- The support of our overseas missions.

Each of these is considered in turn.

Caring for Members of the Congregation

In common with many Religious Congregations, the age profile of the members of the Congregation has changed considerably in recent years. Members grow older and new membership has ceased. On 31 March

2023 the age profile of the Congregation is shown in the following table:



The Trustees are the elected Leadership Team of the Congregation and, as such, have a particular pastoral role within the Congregation. With one local community leader and four pastoral care team

members, they are engaged full time in the pastoral care of the membership.

KEY ISSUES

At our General Chapter, held in September 2021, we were given the following Key Issues to consider:

- Leadership.
- Care of our Members.
- Diminishment and Completion.
- Handing On.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted all (or a significant part) of their working lives to the ministries and outreach of the Charity. In order to enable the mission of the Charity to be fulfilled, some Sisters enjoyed a full working life of remunerated employment. Now, as the age profile of the Congregation increases, so too does the need to provide care for the members.

On 31 March 2023, 18 members of the Congregation were in residential care in the Charity's own homes and other homes.

Over the next decade, the Trustees expect the number requiring care may increase and are giving careful consideration to the impact of this on its active ministry, on the financial implications and on the property requirements.

To facilitate this, the Trustees aim:

- to enable all members to continue in Mercy ministry
- to ensure that members who can no longer live independently are provided for
- to review the Charity's property in the light of the age profile and the members' future needs.

SPIRITUAL LIFE OF THE MEMBERSHIP

Members of the Congregation are given the opportunity for private prayer and reflection. Through study of the Scriptures, the documents of the Church and other resources they seek to continue their own spiritual development.

While their special commitments are to other members of the Roman Catholic Church, members of the Congregation regularly pray and celebrate with the wider community, including people of all faiths and none. They do this in a variety of ways and always by being available for those who approach them for help and support.

SOCIAL AND PASTORAL WORK

“Catherine’s acute awareness of contemporary needs made her a catalyst in an uncaring society.”

Sr Angela Bolster rsm

While our fourth vow commits us to care for the materially poor, we are conscious there are many forms of poverty. We respond as best we can.

Members of the Congregation were in ministry in many pastoral and social settings:

- Working in parishes, visiting the housebound and elderly, helping in catechetical programmes.
- Retreat work, spiritual development programmes and prayer groups.
- Community social work with the homeless.
- Pastoral care in hospitals and hospices.
- Chaplaincy in schools.
- Bereavement support.
- Various justice and peace initiatives.
- Citizens UK (Birmingham).
- Interfaith Groups.
- Food Banks.

The Trustees have encouraged the members of the Congregation to stay connected with their place of ministry and to reach out to their local community, with a special concern for those who are poor and in need.

Most members minister as volunteers. Where Sisters are remunerated by way of stipend, the income is passed to the Charity and thereby ensures that the mission of the Charity may continue into the future.

MINISTRY ACCOUNTS

There follows accounts of the ministries undertaken by members in North West London, Weymouth, and East London.

A SISTER IN EAST LONDON GIVES HER ACCOUNT:

The Community of Latin American families that I work with is affiliated to and forms part of a church in North-East London. The majority of these people come from the South American countries of Colombia, Ecuador, Bolivia, Chile, Peru and more recently some from Mexico, Venezuela and Honduras as the political situations there are so volatile. Most of these people would be considered economic migrants, some asylum seekers and others, refugees.

ASPECTS OF MY MINISTRY ARE:

- Preparation of Parents and children for the reception of the Sacraments of Baptism, Confirmation and the Eucharist.
- Training of Catechists and Altar Servers.
- Preparation of Sunday Liturgies and other Celebrations within the Liturgical year such as Holy Week etc.
- Helping with a Programme for teaching basic English.
- Advocacy and Translation – an important part of my ministry – helping the people to fill in official papers when applying for Residency etc.
- Accompanying them when they have to appeal a second or third time – not all will succeed but we are there too when they are deported – hopes, joys and sorrows.
- Finally, as a people who love to celebrate special moments, the parish provides the spaces and opportunities for all to share their culture, music, dance and typical foods.

A SISTER IN NORTH WEST LONDON GIVES HER ACCOUNT:

I am involved in the following ministries locally and nationally:

Community Work:

- Visiting the housebound and taking Holy Communion as a Eucharistic Minister.
- Cooking meals for the housebound.
- Working with a Toddlers Group three mornings each week.
- Working with an Over 50s Group weekly.
- Attending Catholic Mother's Group weekly.
- Organisation of Parish Social events.
- Member of the West London Citizens.

Catechetics

- Preparation for First Holy Communion weekly.

Chaplaincy Work

- Chaplain to a local school – visiting weekly

Working with Women's Groups

- Member of the National Board of Catholic Women.
- Diocesan secretary to the Union of Catholic Mothers.
- National Co-ordinator for the European Ecumenical Forum of Christian Women.
- Member of Religions for Peace UK Women of Faith Network.



At the Union of Catholic Mothers' Mass,
receiving long-term certificates



The Toddlers Group

MINISTRY IN WEYMOUTH:

The Weymouth Community host two weekly groups for Christian Meditation which is led by one Sister. It is a very popular form of contemplative prayer as, in today's society, there is a great spiritual hunger. This is an interfaith group. Throughout Covid we managed to meditate together at the same time from our own homes using resources provided.

A meditation group is also established at the Vern Prison in Portland. This gives the men support and comfort on their life's journey.

We visit the sick and housebound who are often very lonely as their families may live far away. We are also able to help with practical tasks such as shopping and laundry.

As a community we offer weekly hospitality to the local parish community which includes Polish mothers who meet for prayer.

During the winter months we take our turn making soup for The Warm Welcome project which is organised by the *Churches Together*. Another aspect of our ministry is our outreach to Ukrainian families.

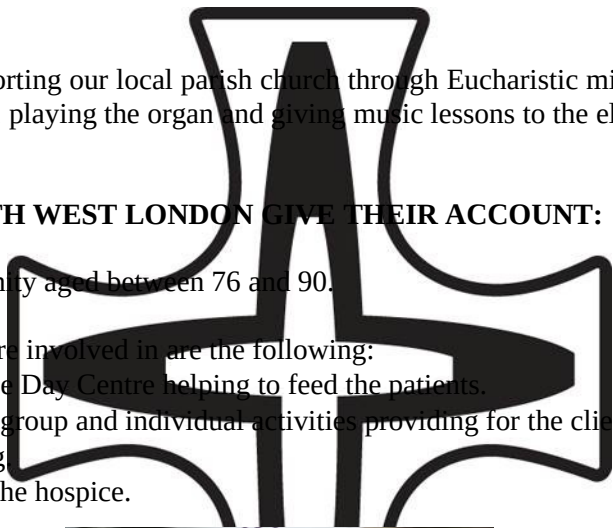
We are also involved in supporting our local parish church through Eucharistic ministry, reading at Mass, leading weekly choir practice, playing the organ and giving music lessons to the elderly.

A COMMUNITY IN NORTH WEST LONDON GIVE THEIR ACCOUNT:

There are four in the Community aged between 76 and 90.

The main ministries that we are involved in are the following:

- Volunteering at a Hospice Day Centre helping to feed the patients.
 - o Supporting with group and individual activities providing for the clients' physical and mental wellbeing
 - o Fundraising for the hospice.



Chicks for the hospice shop

Sisters at the Hospice Day Care Centre and local Drop-in

- Involved as a Reader and Eucharistic Minister in the local parish.
- Visiting the local Drop-in Centre and chatting to the frail and elderly.

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- Engaging in activities with them.
- Sacramental Co-ordinator for training and supporting Parish Catechists.
 - Working with families and children.
- Accompanying those involved in the Rite of Christian Initiation of Adults.
- Liturgy preparation and training of Readers and organising Rotas.
- One Sister is General Bursar to the Trustees of the Congregation.
- Sacristan at local Hospital Chapel.
 - Providing support to the Chaplain.
- Attendance at Church Committee Meetings with members of the Trustee Board and Senior Staff.
- Member of the local Saint Vincent de Paul Conference which involves keeping in touch with the frail and elderly in their own homes.
- Supporting Albanian and Afghan families who attend the local primary school by distributing food vouchers.



Left: A Sister at a parish event



The local Hospital Chapel

MERCY ASSOCIATES

Many communities have established Mercy Associate groups. The Mercy Associates are inspired by the vision of the Foundress Venerable Catherine McAuley. The movement provides an opportunity for lay people (youth and adults, female and male, across denominations and cultures) to deepen their own prayer

life and spirituality and encourages them to share in and contribute to the life and Mission of the Mercy Community in a way suited to their own lifestyle. In their own unique way Mercy Associates share the spirituality, prayer and ministry of the Sisters of Mercy.

THE OWNERSHIP AND OPERATION OF CARE HOMES

The Charity owns and operates Care Homes for those who are infirm and/or aged. Each of these homes provides care for the members of the Congregation and for the members of the local area. Over the years the Charity has invested large sums of money in the upgrading of these homes to meet changing needs.

The Mission Statement expresses what we hope to provide at our Care Homes:

***Through our Charism of Mercy and in the spirit of Catherine McAuley
we commit ourselves to serving the needs of the elderly in our Care.***

St Michael's Care Home, Clacton-on-Sea

There are 44 beds at St Michael's purpose-built building. The property faces the promenade and the sea, and many Residents enjoy the added bonus of a sea-view.

St Teresa's Rest Home, Fishguard

St Teresa's is a 27 bed Rest Home. The property faces the sea and a small ferry port with regular services to Rosslare, Ireland. Both Welsh and English are spoken by most members of staff thus enabling Residents to communicate in the language of their choice.

The Trustees take very seriously the demands of the *Care Quality Commission* (England) and *The Care Inspectorate Wales* and have worked closely with the local Government Departments to fulfil their obligations. They visit regularly, are involved in interviews and appointments at management level, attend Advisory Board Meetings three times a year and are available to support the Managers, Staff and Residents.

At the three Advisory Board Meetings, attended by Trustees, Care Home Manager, Assistant Manager, Administrators and the Finance Director, the Trustees encourage good management and review the financial implications of care.

OVERSEAS MISSIONS

The Charity has two of its members working overseas in South Africa. The Mission is financially supported by the Charity.

Mercy Mission – Addo, South Africa

Our ministry here in Addo continues to develop and grow. Place of Mercy and Hope Centre has over 180 children now and Lwazi Crèche in Dunbrody is also growing in response to the needs of the area.

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We were delighted to welcome young people from the five Marist Schools in South Africa to support our Summer School at the informal settlement in Langbos in December 2022. This was our first since Covid and over 500 children had a wonderful week of fun and celebration.

We look forward to renewing our association with Marist Germany in welcoming two young volunteers in September this year. Again this is only now resuming after Covid and the girls will be with us for 9 months.

Our Soup Kitchens are feeding many hungry vulnerable children and adults as the cost of living like elsewhere in our world has soared and people are struggling to survive as unemployment is a major factor here.



Adult Computer popular and young people are skills in the hope of employment.



training is very oversubscribed as anxious to acquire getting

WORK OF THE MEMBERSHIP

“Every place has its own need which must be responded to whenever possible.”

Venerable Catherine McAuley

These words have inspired our actions and explain the variety of ministries in which the members are engaged.

Throughout the year, they have given their time to assist and support all in need through:

- Ministry to women and children.
- Assisting people to get birth certificates and identity documents (in Addo, South Africa).
- Providing early childhood education (crèches) (in Addo, South Africa).
- Computer Training (in Addo, South Africa).
- Pastoral care for Sisters and staff in a Care Home.
- Writing / phone calls to those who have been bereaved, the elderly, those living alone and the vulnerable.
- Providing IT support for Sisters and others.
- Helping in soup kitchens and networking with other agencies to help the marginalised.
- Managing the Mercy Centre for the homeless and those in need.
- Being a member of The Diocesan Synodal Process; going to Deanery Meetings.
- Being a Chaplain to primary and secondary schools.
- Creating paintings for Mercy Groups and local schools for meditation groups.
- Providing spiritual accompaniment.
- Supporting the Irish Council for Prisoners Overseas and the Irish Chaplaincy Britain.
- Visiting and supporting projects at the Irish Centre in Hammersmith and Lebanese communities.
- Voluntary work at a Day Centre for Homeless and working with people who have addiction.
- Being members of the St. Vincent de Paul Society.
- Providing Houses of Hospitality and Heritage Tours.
- Supporting the Alzheimer's Society and Dementia Carers Group.
- Co-ordinating parish liturgical events.
- Volunteering at Mercy International Centre.
- Administration work for Parishes.
- Clerical work for a retired priest.
- Supporting Albanian and Afghan families.
- The Facilitation of General Chapters.
- Being the Safeguarding Leads for the Congregation (England and Scotland).

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
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- Being a Trustee of a charity.
- Community support (accounts, archives)
- Eucharistic Ministry.
- Ministry to prisoners.
- Writing and publishing a book for parishes.
- Making mini videos for Sunday Night Live.
- Using social media to mobilise financial and material support for Ukraine.

Our Foundress, Venerable Catherine McAuley, advised us:

“You should make hospitality your special care.”

and members are always ready to extend hospitality to those who visit or call.

We have **3 Sisters** who have full-time or part-time ministry and receive remuneration in the form of a fee or stipend for their services.

- Facilitation
- Parish/Pastoral Ministry.

5 Sisters are in full-time ministry of Central Leadership and find some time to:

- Support the National Mercy Associates Commission.
- Volunteer in a Hospice Shop.
- Minister in their local Parish.

1 Sister is in full-time Community Leadership. Her primary role is the pastoral care of the Sisters in community, the co-ordination of activities within the Convent and the overall maintenance of the property. She also outreaches to the local area through:

- Shopping for the housebound.
- Supporting employees and co-workers.
- Parish support.

3 Sisters on a Pastoral Care Team share ministry to the Residents and Staff of a Care Home. They:

- Visit residents in the Home and in Hospital.
- Arrange hospital appointments for residents.
- Promote the charism of Mercy and share the Mercy story with staff and residents.
- Liaise with Management and Staff.
- Co-ordinate the spiritual activities and create opportunities for liturgical celebration in the chapel.
- Support bereaved families and are often asked to help arrange the funeral services of a deceased resident and/or lead the service at the crematorium.

2 Sisters have an additional role in supporting the work of the St Vincent de Paul Society.

3 Sisters are in ministry at the Mercy Spirituality, Heritage and Outreach Centre in Birmingham which is a collaborative community with 2 Sisters from The Institute of Our Lady of Mercy.

USE OF CHARITY PROPERTY

The 80 members of the Congregation reside at 26 locations:

18 in England
4 in Scotland

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
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3 in Wales
1 in South Africa

Every five years, at our General Chapter we take a fresh look at our key values of hospitality, spirituality, education and mission among the people with the greatest need locally and globally in contemporary society.

In order to facilitate new and traditional ministries and the pastoral care of the Sisters we evaluate our properties and recognise when they become too large and unfit for purpose to comply with Charity Law.

In the course of the year our properties were made available to the public for a variety of purposes, including:

- Retreats;
- Registered Care of Older People;
- Meetings of Mercy Associates;
- Interfaith Groups;
- Christian Prayer Groups;
- Hospitality and accommodation;
- Citizens UK, daily;
- Heritage Tours;
- Support for refugees and Asylum seekers;
- Providing meals for homeless people;
- Group meetings of AA and other therapeutic support organisations;
- Support for those experiencing personal trouble or anxiety;
- Social gatherings for local small communities of Sisters;
- Our chapels are used by members of the public daily.

SCOTLAND

The members of the Congregation living in Scotland are fully engaged in the activities of the Charity. They are involved in ministry as follows:

- To older people and the housebound;
- To homeless people;
- In hospital and hospice visiting;
- In parish support.

The properties of the Charity are available to the public for:

- A variety of group meetings;
- Days of reflection and workshops for individuals and groups.

One property in a city centre is a major provider of support for homeless people and is open daily from 9.00 – 12.00 noon and 1.00 – 5.00pm. The house is also available to regular meetings of support groups – AA, Narcotics Anonymous, Alanon. There are also public vespers and regular meetings of volunteers, and spirituality and social outreach groups.

GRANTS AND DONATIONS

Grants and donations are decided by the Trustees. These are in response to appeals from members of the Congregation, from individuals and organisations. The Trustees make decisions according to the Trust Deed, the Constitutions of the Congregation, its Mission Statement and decisions made over the years by the assembled members. The guidelines used in making donations have been expressed at various times as follows:

- We willingly share not only our material possessions but also our friendship, our influence and

ourselves, doing so as stewards, not owners (*Constitution 10*).

- The Trustees shall apply the income for the advance of the religious, educational and other charitable work (*Trust Deed*).
- Care of older people, with special concern for those who are not financially secure, and projects for homeless people (*Chapter 1992*).
- Efforts that actively discourage structures that impoverish women, children and the earth (*Chapter 1996*).

These guidelines from the members of the Congregation assist the Trustees in deciding when to make a donation to an individual, other charity or an organisation.

Some specific donations during the current financial year were:

From Carers UK – Trust and Foundations Officer

“It has been an absolute pleasure working with you and the Union of the Sisters of Mercy of Great Britain. Your support has been integral and invaluable to Carers UK. Together we have reached and made a real

difference to thousands of unpaid carers who, without our support, would have struggled alone and not known where to turn for help – a feeling no one should ever have to go through.”

Lady whose mother had died

“I am so deeply grateful for the money for my Mum’s funeral. I was so worried and ashamed about the finances...I cannot put into words but from my heart I am so deeply grateful and deeply touched by the love, compassion and kindness. Thank you.”

Helen & Douglas House

“Thank you to you and the other Trustees of the Union of the Sisters of Mercy of Great Britain for your fantastic donation to the children and families of Helen Douglas House. We cannot overstate the importance of your support. We couldn’t do what we do without help like yours. Your help has a profound impact on the children and families we care for. Your help means that we can provide medical treatment and care, as well as vital services for children with terminal and life-limiting conditions.”

St Joseph’s Hospice

“On behalf of Zenab and everyone here at St. Joseph’s Hospice I wanted to thank you for the incredible gift recently received to help provide Day Hospice this year to hundreds of people in our community living with life-limiting illness.

Your most generous gift will help more people attend Day Hospice this year, helping take us back to pre-pandemic attendance, and ensure we can meet the urgent need in our community.”

SCIAF

“From Teleza in southern Malawi whose village has been badly affected by the climate emergency:

“Our harvest is inadequate. We are facing hunger. We struggle to access water and our harvest is poor because it doesn’t rain enough. We are hopeless due to climate change.”

Your generous gift is making a vital difference to people like Teleza and her family. Thanks to your generosity families are receiving drought resistant seeds and learning farming techniques to prevent hunger and adapt to climate change.

With your love and compassion, you are transforming the lives of people living on the front line of the climate emergency. Teleza now has hope for her family’s future.”

CAFOD

“Thank you very much to the Sisters for your generous gift to CAFOD’s Turkey-Syria Earthquake Appeal. Your donation is making a very real difference to survivors and those impacted by the earthquake.

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
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Thanks to your kind donations and support, we have been able to respond through local experts by providing emergency shelter, food, water, heating materials, blankets and mattresses, hygiene kits, counselling, and support to our local expert staff who have been also directly impacted by the earthquake.”

Emily a student writes:

“I just wanted to pass on my thanks to the Sisters for the very generous financial support that they provided to support me in my studies, and also for their kind and encouraging words. I was very touched by this and appreciate it greatly.”

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs outline the main achievements during the year in each of the Charity’s principal activities.

1. Care for the Members of the Congregation

Throughout the year the Charity continued to assist and encourage the members of the Congregation in their charitable and religious work. Some members who needed care moved to our Care Homes. The Trustees continually monitor the needs of the members and the suitability of property.

2. Social Pastoral Work

Throughout the year Sisters continued to carry out various forms of social and pastoral ministry. This activity enabled the Charity to reach out to those in need within society generally and to benefit a significant number of people.

3. Care Homes

The quality of care being provided in our Homes is an ongoing focus for the Trustees and management. Each home has a Manager and senior staff who are responsible for the day to day running of the Homes.

Each Home has had structural improvements carried out and there is a rolling programme of maintenance and decoration. The requirements of the Care Standards Act 2000 has had implications for us and we have responded as required by the Inspectorates.

We have been compliant with:

- the Regulation and Inspection of Social Care (Wales) Act 2016.
- the Health and Social Care Act 2008 and the Care Act 2014 in England.

The following table summarises some of the important statistics regarding the Homes:

	St Teresa’s Rest Home			St Michael’s Care Home		
	2021	2022	2023	2021	2022	2023
Residents	26	26	23	43	43	43
Occupancy	86%	87%	94%	97.1%	97.5%	98%
Staff – Full time (31 hours & over)	16	16	20	30	29	27
Staff – Part time (30 hours & over)	25	24	20	39	45	45

below)						
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The Managers seek for full occupancy but there are circumstances that make full occupancy difficult at times: the needs of the enquirer cannot be met; the time needed to decorate a room following a death; waiting for decisions regarding funding. The Trustees sometimes accept a less than full occupancy because they are aware that one of their members may need care soon. Such a situation is rare and full occupancy is desirable.



CARE HOME ACTIVITIES



Residents take part in autumnal (left) and Easter crafts (right)



Residents look through old papers, photos, and ration books, remembering the past



Taking part in a game of Giant Snakes and Ladders



Enjoying a meal out

Taking part in a singalong

FINANCIAL REVIEW

“There is very little good can be accomplished without the aid of money, we must look after it in small as well as in great matters.”

Venerable Catherine McAuley

The Statement of Financial Activities and accompanying notes give an account of the finances of the Charity and their management.

Income received during the year included:

- Members' stipends and pensions. This source of income, the most significant source at present, will continue to decline over the next decade as Sisters retire from remunerated employment and membership numbers fall.
- Care Home fees comprise both local authority and private residents' contributions. The Charity spends more on the care of the elderly than is derived from fees; the shortfall has been supported by income and capital gains on the investments of the Care Home Fund.
- Investment income comprised the remaining source of regular income.

Income from all sources totalled £5.9m (2022: £5.6m). The increase is due to increased investment income referred to below. Expenditure totalled £6.9m (2022: £6.1m). Before investment gains/(losses) net expenditure was £1.0m (net expenditure 2022: £0.5m).

Investment income was £1.6m (2022: £1.4m). The increase is due to balances committed to the Donations fund now giving higher returns and higher interest rates available for cash deposits. There were net investment losses in the year of £4.2m (2022: Gains £2.3m). The closure of the Convent in Shadwell and subsequent revaluation resulted in a surplus of £1.3m. The net movement in funds was therefore a deficit of £3.9m (2022 surplus £1.8m).

Substantial donations were made in the year to the missions and charitable causes reflecting our commitment particularly to ministries with the poor, the homeless, women and children, and education.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

During the year £0.78m (2022: £0.73m) was incurred by the Trustees for the care of our Sisters in Residential Care. Much of this care was provided by the Care Homes of the Charity.

The Investment Portfolios of the Charity appear to be substantial in amount but are put into context by consideration of the number of Sisters of whom there are eighty and of the other long-term commitments of the Charity for which designation has been made in the accounts. All but a very few of the Sisters are now retired from remunerated employment and others, after a lifetime of service for the Charity, have need of residential care.

RESERVES POLICY

Total funds at the year-end stood at £70.4m (2022: £74.3m) of which £63.0m (2022: £67.8m) is designated. The Trustees feel it is necessary to designate those funds required for particular purposes and this policy is explained in full in note 12 to the accounts.

RESERVES POLICY (CONTINUED)

General funds are retained to provide resources to meet the long-term commitments of our mission, for future compliance and administration costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement, the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. One of our Care Homes occupies a relatively old building, and it is inevitable that there will be increasing costs of maintenance and upgrading of facilities to present-day required standards.

The Trustees' target is to hold £7 million in reserve. The General Fund at the year-end stood at £7.4m (2022: £6.4m) and the trustees will aim to increase. The Trustees consider the current reserves, although not excessive, to be adequate for its requirements and anticipate that proceeds from a forthcoming surplus from asset sales will increase the General Fund to its approximate target.

INVESTMENT POLICY

The Charity's investments are managed as indicated on Page 1. There are no restrictions on the Charity's power to invest. The Trustees, the General Bursar and Finance Director for the Congregation meet the Investment Managers twice a year. At these meetings the performance is reviewed, the income requirement discussed, and the likely market trends presented. The Trustees have in place an Ethical Policy that is reviewed annually. This is a broad policy that attempts to protect the objectives of the Charity as a Catholic Charity and yet give the Managers the freedom to maximise the investment money.

PAY POLICY FOR SENIOR STAFF

The Trustees and the senior management team comprise the key management personnel of the charity, in charge of operating and controlling the Charity on a day-to-day basis. All Trustees give of their own time freely and received no remuneration in the year. Details of Trustees' related party transactions are disclosed in note 2 to the accounts.

The Trustees benchmark the pay of senior staff against pay levels in other comparable organisations on appointment and are advised by specialist consultants where necessary. This is reviewed annually to take account of increases in average earnings and the cost of living.

REVIEW OF DEVELOPMENTS DURING YEAR

The Trustees are confident that the finances will allow them to continue to develop the works of the Congregation. They continue to review all their assets. Communities are reducing in number, and this

has an effect on the individual communities with regard to the size of property.

FUTURE PLANS

The Trustees plan:

- to continue to support the Sisters and enable them to carry out their pastoral ministry.
- to monitor the needs of the Sisters as they grow older and to take appropriate action when care needs arise.
- to continue supporting their missions abroad.
- to collaborate with the Institute of Our Lady of Mercy at St Mary's Convent, Handsworth, Birmingham, which has been designated a heritage centre for all the Sisters of Mercy and Associates in the UK and serves the local community and environment;
- to financially support programmes and events to enable Associate members, co-workers and colleagues to fulfil their role in Church and Society.
- to provide the highest possible care for the Residents of the Care Homes and to meet the requirements laid down by the *Care Quality Commission, England* and the *Care Inspectorate Wales*.
- to continue to share our resources with other communities in need and contribute generously to the needs of the Church and the world.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England/Wales & Scotland requires the Trustees to prepare financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

MEMBERS OF THE CONGREGATION, EMPLOYEES AND VOLUNTEERS

The Trustees acknowledge the dedication and commitment of the members of the Congregation, their employees and volunteers in enabling the mission of the Charity to be fulfilled and developed.

Approved by the Trustees on 11 October 2023 and signed on their behalf by:

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee



THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Sisters of Mercy of the Union of Great Britain for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of the charity's net movement in funds 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 charity 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 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 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 23 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 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 FINANCIAL STATEMENTS

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 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 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 is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of trustees meetings.
- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

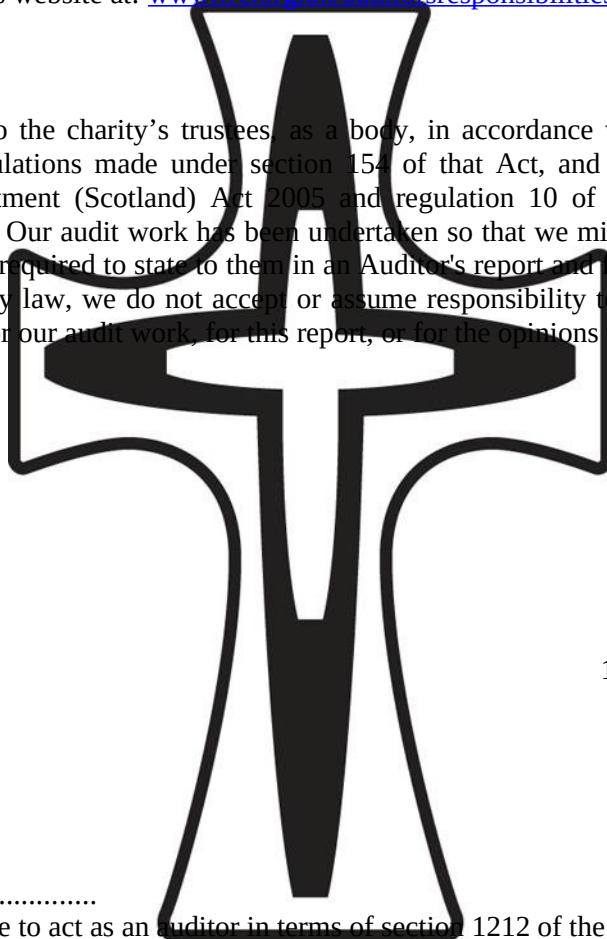
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



.....
Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:.....

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

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	General Funds £	Designated Funds £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and legacies					
Members' salaries and pensions		1,750,962	-	1,750,962	1,787,554
Other donations and legacies		109,534	120,035	229,569	85,523
Charitable activities					
Care Home Fees receivable		-	2,136,320	2,136,320	2,180,220
Investments					
Investment Income	3	45,576	1,585,667	1,631,243	1,365,933
Other Income					
Rents		68,256	-	68,256	67,392
Gains on sale of fixed assets		23,824	-	23,824	7,325
Other income		527	26,271	26,828	54,178
Total income		<u>1,998,709</u>	<u>3,868,293</u>	<u>5,867,002</u>	<u>5,548,125</u>
Expenditure on:					
Raising funds					
Investment managers' fees		-	17,906	17,906	14,582
Charitable activities					
Support for members and their mission	4a	2,081,074	1,121,826	3,202,900	2,317,980
Care of the elderly		350,187	3,016,020	3,366,207	3,332,482
Relief of hardship		5,284	64,280	69,564	76,293
Other charitable activities		18,040	219,446	237,486	318,092
Total expenditure		<u>2,454,585</u>	<u>4,439,478</u>	<u>6,894,063</u>	<u>6,059,429</u>
Net income / (expenditure) before other gains		(455,876)	(571,185)	(1,027,061)	(511,304)
Net (losses) / gains on investments	9	-	(4,172,418)	(4,172,418)	2,300,072
Revaluation of property held for resale		1,343,000	-	1,343,000	-
Net income		<u>887,124</u>	<u>(4,743,603)</u>	<u>(3,856,479)</u>	<u>1,788,768</u>
Transfers between funds	12	<u>74,366</u>	<u>(74,366)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>961,490</u>	<u>(4,817,969)</u>	<u>(3,856,479)</u>	<u>1,788,768</u>
Total funds brought forward at 1 April 2022		6,423,845	6,841,306	74,265,149	72,476,381
Total funds carried forward at 31 March 2023		<u>£7,385,333</u>	<u>£63,023,337</u>	<u>£70,408,670</u>	<u>£74,265,149</u>

All amounts derive from continuing activities. All gains and losses are included in the Statement of Financial Activities.

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023		2022	
	s	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		10,990,163		11,734,405
Investments	9		50,231,759		53,445,605
CURRENT ASSETS					
Debtors	10	141,275		91,342	
Fixed asset held for resale		1,750,000		-	
Term deposits		5,055,493		2,040,820	
Cash at bank and in hand		2,547,035		7,262,830	
		<u>9,493,803</u>		<u>9,394,992</u>	
CREDITORS: Amounts falling due within one year	11	<u>(307,055)</u>		<u>(309,853)</u>	
NET CURRENT ASSETS			<u>9,186,748</u>		<u>9,085,139</u>
TOTAL NET ASSETS			<u>£70,408,670</u>		<u>£74,265,149</u>
UNRESTRICTED FUNDS					
Designated Funds:					
Convent Fund	12	208,835		207,838	
Donations Fund		16,082,446		17,443,135	
Property Fund		10,957,078		11,692,177	
Retirement and Care Fund		35,149,313		38,002,470	
Residential Care Homes Fund		<u>632,665</u>		<u>495,686</u>	
			<u>63,023,337</u>		<u>67,841,306</u>
General Funds	12		<u>7,385,333</u>		<u>6,423,843</u>
			<u>£70,408,670</u>		<u>£74,265,149</u>

Approved by the Trustees on 11th October 2023 and signed on their behalf by

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

**THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
BALANCE SHEET
AS AT 31 MARCH 2023**

The notes on pages 28 to 40 form part of these accounts.



THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note s	2023 £	2022 £
Cash Flows from operating activities			
Net cash (used in) operating activities		(2,371,213)	(684,811)
Cash flows from investing activities			
Dividends, interest and rents from investments		1,631,243	1,365,933
Proceeds from the sale of fixed assets		28,750	7,325
Purchase of fixed assets		(31,030)	(76,566)
Proceeds from sale of investments		44,550	10,000
Purchase of investments		(1,000,828)	(5,293)
Net cash provided by investing activities		<u>672,685</u>	<u>1,301,399</u>
Change in cash and cash equivalents in the reporting period		(1,698,828)	616,588
Cash and cash equivalents at the beginning of the reporting period		<u>9,308,804</u>	<u>8,692,216</u>
Cash and cash equivalents at the end of the reporting period		<u>£7,609,976</u>	<u>£9,308,804</u>
		2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)		(3,850,479)	1,788,768
Adjustments for:			
Depreciation charges		363,346	369,972
Profit on disposal of fixed assets		(23,824)	(7,325)
On reclassification of fixed asset		(1,343,000)	-
Losses/(Gains) on investments		4,172,718	(2,300,072)
Dividends, interest and rents from investments		(1,631,243)	(1,365,933)
Decrease/(increase) in debtors		(49,933)	789,290
Increase/(decrease) in creditors		(2,798)	40,489
Net cash provided (used in) operating activities		<u>£(2,371,213)</u>	<u>£(684,811)</u>
Analysis of cash and cash equivalents		2023 £	2022 £
Term deposits		5,055,493	2,040,820
Cash in hand		2,547,035	7,262,830
Cash held by broker		7,448	5,154
Total cash and cash equivalents		<u>£7,609,976</u>	<u>£9,308,804</u>

The notes on pages 28 to 40 form part of these accounts.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

a) General information

The Union of the Sisters of Mercy of Great Britain is an unincorporated registered charity in England and Wales (number 288158) and in Scotland (number SCO39153). Its registered address is Mercy Union Generalate, 11 Harewood Avenue, London, NW1 6LD.

b) Basis of preparation

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity’s ability to continue as a going concern. The review of our financial position, reserve levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

d) Funds Structure

All the funds of the Charity are unrestricted funds. Unrestricted funds comprise those funds that the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in notes 12.

e) Tangible Fixed Assets

Land and buildings are stated at their cost or deemed cost based on existing use value as at 31 March 1997. All motor vehicles are capitalised at cost.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Freehold land	not depreciated
Freehold buildings	50 years
Leasehold buildings	50 years
Plant and machinery	10 years
Motor vehicles	4 years

f) Investments

Investments are a form of basic financial instrument and are initially shown in the accounts at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end of the year and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

ACCOUNTING POLICIES (continued)

f) Investments (continued)

In addition, the Charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the Charity at a fixed future date. No value can readily be attributed to the contract as future returns are dependent on bonuses which in turn depend on investment returns and inflation. Therefore the asset included in the balance sheet in respect of this scheme is valued on the basis of premiums paid to date in respect of Sisters still in the scheme. Receipts on maturity are recognised as investment gains net of the relevant premiums paid and the annual premiums are included as addition to the Deferred Annuity Contract.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Fees Receivable

Fees receivable are accounted for in the period in which the relevant services are provided.

k) Members' Salaries and Pensions

Members' salaries and pensions are received under Deeds of Covenant from members of The Union of the Sisters of Mercy and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

l) Legacies and Donations

Legacies and donations are recognised when receivable or when the Charity becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

m) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity.

n) Irrecoverable VAT

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

1. ACCOUNTING POLICIES (continued)

o) Charitable activities

Direct charitable expenditure consists of all expenditure directly relating to the objects of the Charity. The cost of charitable activities includes grants made and an apportionment of overhead and support costs as shown in note 4.

p) Allocation of overhead and support costs

Overhead and support costs exclusively incurred for a particular activity have been allocated to that activity. General overhead and support costs have been allocated between charitable activities in line with the proportion of total direct and grant funded costs incurred on each activity. The allocation of overhead and support costs is analysed in note 4.

q) Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension Scheme

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the accounts represent the contributions payable in the year.

r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

2. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and assets. They are therefore entirely dependent on the Charity for all their living expenses. The Trustees do not receive any payments or benefits for carrying out their duties other than their living expenses which are met by the Charity in their capacity as members of the Religious Order.

3 INVESTMENT INCOME

	2023 £	2022 £
Listed Investments	1,585,204	1,364,781
Cash Deposits	46,039	1,152
	<u>£1,631,243</u>	<u>£1,365,933</u>

4a ANALYSIS OF CHARITABLE EXPENDITURE

	Activities undertaken Directly £	Grant Funded Activities £	Support Costs £	Total 2023 £	Total 2022 £
Support for members and their mission	2,959,594	-	243,306	3,202,900	2,317,980
Care of the elderly	2,040,030	70,466	255,711	3,366,207	3,332,482
Relief of Hardship	-	64,280	5,284	69,564	76,293
Other Charitable activities					
Evangelisation	-	63,125	5,189	68,314	115,967
Children's charities	-	8,000	658	8,658	14,223
Education	-	4,600	378	4,978	30,907
Homeless	-	25,500	2,096	27,596	33,915
Medical	-	45,515	3,742	49,257	8,752
Missions	-	71,706	5,895	77,601	99,011
Women's Charities	-	2,000	82	1,082	15,317
	<u>£5,999,624</u>	<u>£354,192</u>	<u>£522,341</u>	<u>£6,876,157</u>	<u>£6,044,847</u>

ANALYSIS OF SUPPORT COSTS

	Support for Members £	Care of the Elderly £	Relief of Hardship £	Other £	2023 Total £
Staff	167,486	176,026	3,638	12,418	359,568
Administration	38,678	40,650	840	2,868	83,036
Professional	18,696	19,649	406	1,386	40,137
Governance (audit fees)	18,446	19,386	400	1,368	39,600
	<u>£243,306</u>	<u>£255,711</u>	<u>£5,284</u>	<u>£18,040</u>	<u>£522,341</u>

4 b ANALYSIS OF CHARITABLE EXPENDITURE

Activities undertake	Grant Funded	Support Costs	2022 Total
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THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

	n Directly	Activities		
	£	£	£	£
Support for members and their mission	2,118,736	-	199,244	2,317,980
Care of the elderly	2,974,415	71,620	286,447	3,332,482
Relief of Hardship	-	69,735	6,558	76,293
Other Charitable activities				
Evangelisation	-	106,000	9,967	115,967
Children's charities	-	13,000	1,223	14,223
Education	-	28,250	2,657	30,907
Homeless	-	31,000	2,915	33,915
Medical	-	8,000	752	8,752
Missions	-	90,500	8,511	99,011
Women's Charities	-	14,000	1,317	15,317
	<u>£5,093,151</u>	<u>£432,105</u>	<u>£519,591</u>	<u>£6,044,847</u>

ANALYSIS OF SUPPORT COSTS

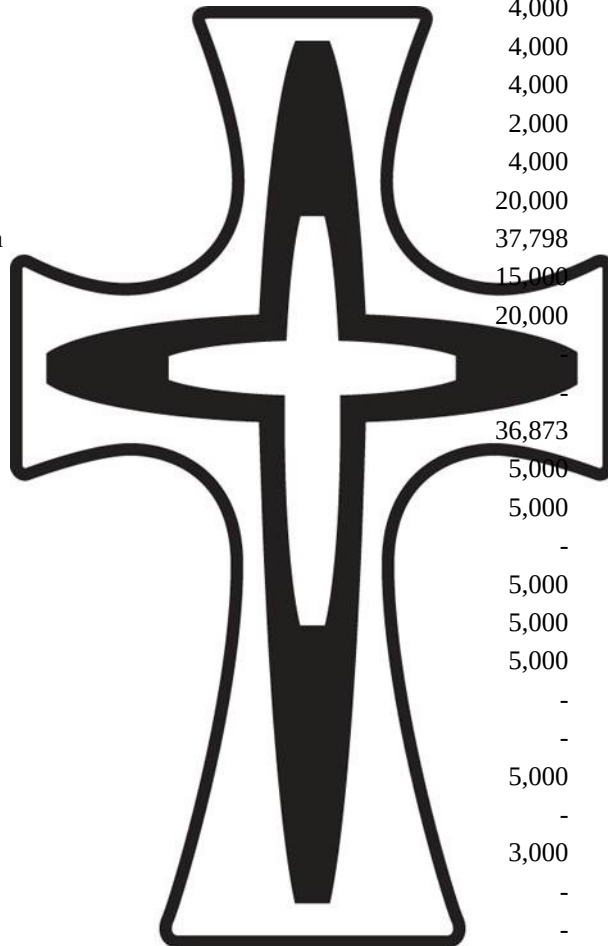
	Support for Members	Care of the Elderly	Relief of Hardship	Other	2022 Total
	£	£	£	£	£
Staff	199,438	200,465	4,589	19,135	363,627
Administration	36,912	53,067	1,215	5,065	96,259
Professional	9,013	12,958	297	1,237	23,505
Governance (audit fees)	13,801	19,957	457	1,905	36,200
	<u>£199,244</u>	<u>£286,447</u>	<u>£6,558</u>	<u>£27,342</u>	<u>£519,591</u>

5 ANALYSIS OF GRANTS

	2023 Total	2022 Total
	£	£
Grants made to institutions	267,676	310,600
Grants made to individuals	86,516	121,505
	<u>£354,192</u>	<u>£432,105</u>
	Number	Number
Institutions	39	56
Individuals	<u>20</u>	<u>11</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

6 RECIPIENTS OF INSTITUTIONAL GRANTS:	2023	2022
	£	£
Large Institutional Donations		
Diocese of Westminster	8,000	12,000
Diocese of Aberdeen	2,000	6,000
Diocese of Birmingham	4,000	6,000
Diocese of Brentwood	4,000	6,000
Diocese of Clifton	4,000	6,000
Diocese of Edinburgh	4,000	6,000
Diocese of Glasgow	4,000	6,000
Diocese of Menevia	4,000	6,000
Diocese of Motherwell	4,000	6,000
Diocese of Plymouth	2,000	6,000
Diocese of Shrewsbury	4,000	6,000
Providence Row Charity	20,000	10,000
Daniel's Corporation, Romania	37,798	50,900
St Joseph's Hospice	15,000	-
St John's Hospice	20,000	-
Weldmar Hospicecare	-	10,000
Aid to the Church in Need	-	5,000
Addo, South Africa	36,873	14,600
Nigeria School	5,000	-
Corpus Christi, Stechford	5,000	-
Sagesse High School	-	25,000
CAFOD	5,000	10,000
SCIAF	5,000	10,000
Ashford Place	5,000	10,000
St Mary's Monastery	-	7,000
St Patrick's Parish	-	5,000
Irish Chaplaincy	5,000	5,800
The Living Room	-	5,000
Mary's Meals	3,000	5,000
Water Aid	-	5,000
Sightsavers	-	5,000
Folan Trust	-	5,000
St Mary's University, Twickenham	-	10,000
St Mary's and St Michael's Parish	-	5,000
Portman House Trust	-	5,000
Other	61,005	30,300
	<u>267,676</u>	<u>310,600</u>



THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

7 STAFF COSTS

	2023	2022
	£	£
Wages and Salaries	2,290,922	2,197,785
Social Security costs	142,652	143,170
Other Pension Costs	139,743	129,476
	<u>£2,573,317</u>	<u>£2,470,431</u>

The key management personnel of the charity comprise the Trustees, the General Bursar, the Finance Director, the Buildings Surveyor and the Care Home Managers. The total employee benefits of the key management personnel of the charity was £217,625 (2022: £221,264). The average monthly head count was 126 staff (2022:128 staff) and the average number of full-time equivalent employees (including part-time staff) was:

	2023	2022
	Number	Number
Residential Homes	81	80
Convents	3	3
Other	5	5
	<u>89</u>	<u>88</u>

One member of staff received between £60,001 and £65,000 per annum (2022 -1). The 80 Sisters of the Order who are under vows of Poverty, Chastity and Obedience conduct many of the activities of the Charity. No amounts are included in Staff Costs in respect of Sisters' services.

8 TANGIBLE FIXED ASSETS

	Freehold land and Buildings	Leasehold land and Buildings	Plant and Machinery	Motor Vehicles	Total
	£	£	£	£	£
Valuation					
At 1 April 2022	16,739,528	329,896	944,769	319,190	18,333,383
Additions	-	-	-	31,030	31,030
Disposals	-	-	-	(34,824)	(34,824)
Transfer to property held for resale	(550,000)	-	-	-	(550,000)
At 31 March 2023	<u>16,189,528</u>	<u>329,896</u>	<u>944,769</u>	<u>315,396</u>	<u>17,779,589</u>
Depreciation					
At 1 April 2022	6,092,867	67,600	161,549	276,962	6,598,978
Eliminated on disposal	-	-	-	(29,898)	(29,898)
Charge for the year	238,023	2,600	94,476	28,247	363,346
Transfer to property held for resale	(143,000)	-	-	(143,000)	(143,000)
At 31 March 2023	<u>6,187,890</u>	<u>70,200</u>	<u>256,025</u>	<u>275,311</u>	<u>6,789,426</u>
Net Book Value					
At 31 March 2023	<u>10,001,638</u>	<u>259,696</u>	<u>688,744</u>	<u>40,085</u>	<u>10,990,163</u>
At 31 March 2022	<u>10,646,661</u>	<u>262,296</u>	<u>783,220</u>	<u>42,228</u>	<u>11,734,385</u>

Apart from a small proportion of excess accommodation which is let and minimal use for management and administrative purposes, all fixed assets are held for direct charitable purposes.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

9 INVESTMENTS	2023	2022
	£	£
Listed investments	50,224,311	53,417,262
Unlisted investments	-	23,189
	<u>50,224,311</u>	<u>53,440,451</u>
Portfolio cash	7,448	5,154
At 31 March 2023	<u>£50,231,759</u>	<u>£53,445,605</u>

	General Fund	Donations Fund	Retirement Fund	Total
	£	£	£	£
Market Value at 1 April 2022		15,443,135	37,997,316	53,440,451
Additions		1,000,000	828	1,000,828
Disposals		-	(44,550)	(44,550)
Realised gains		-	20,533	20,533
Unrealised revaluation gains/(losses)		(1,360,689)	(2,832,262)	(4,192,951)
		<u>15,082,446</u>	<u>35,141,865</u>	<u>50,224,311</u>
Portfolio Cash		-	7,448	7,448
Market Value at 31 March 2023		<u>£15,082,446</u>	<u>£35,149,313</u>	<u>£50,231,759</u>
Cost at 31 March 2023		<u>£12,000,000</u>	<u>£33,345,452</u>	<u>£45,345,572</u>

	Listed Investments	Unlisted Investments	Total
	£	£	£
UK Managed funds	50,224,311	-	50,224,311
Deferred Annuity Contracts and Investment Bonds	-	-	-
	<u>£50,224,311</u>	<u>£-</u>	<u>£50,224,311</u>

10 DEBTORS	2023	2022
	£	£
Trade and other debtors	108,872	37,037
Prepayment and accrued income	32,403	54,305
	<u>£141,275</u>	<u>£91,342</u>

11 CREDITORS: Amounts falling due within one year	2023	2022
	£	£
Trade and other creditors	123,717	133,338
Other taxes and social security	22,406	28,778
Other creditors	5,615	11,631
Accruals and deferred income	155,317	136,106
	<u>£307,055</u>	<u>£309,853</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

12. CHARITABLE FUNDS

- a) The Trustees have designated funds out of the unrestricted funds for specific purposes as follows:

Convent Fund

80 Sisters form the membership of the Charity residing in 28 locations. The Trustees have designated funds to provide for the day to day running of these convents. Funds of £911,502, were transferred from the general fund during the year.

Donations Fund

A fund has been designated backed by a portfolio of investments. The purpose of this fund is to support the charitable activities, other than support for its members, of the Charity.

Property Fund

In order to fulfil its charitable objectives, the Charity needs a large number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Charity's work. Trustees therefore feel that it is appropriate to reflect the book value of properties by means of a designated fund. The movement in the Property Fund represents the property transactions and depreciation in properties during the year. With effect from 31 March 2020, this now includes non-moveable plant and equipment.

Retirement and Care Fund

A fund has been designated to enable the Charity's commitment to provide for the retirement and care in old age and sickness of its members including the cost of nursing and residential care home fees. An initial designation of £30.3 million which has subsequently grown to £35.1 million has been made whilst the Trustees have estimated that a fund of some £41 million will be required to make provision for the ongoing needs of members after taking account of their occupational pension rights. The Trustees have designated an investment portfolio for this Fund and the deferred annuity contract pension scheme established for certain Sisters.

Residential Care Homes Fund

The charity operates two residential care homes. The Trustees consider it appropriate to designate funds for the working capital requirements of these activities. During the year there was a transfer from the General Fund of £891,551.

- b) ***General Fund***

General funds are retained to provide resources to meet the long-term commitments of our mission, for future administration and compliance costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. The General Fund at the year-end stood at £7.4 million.

The Trustees' have calculated that a reserve of £7 million is an appropriate amount for this purpose. Sales proceeds from surplus assets in the forthcoming year will bring the General Fund to its target level of reserves.

All unrestricted funds are available to be spent for any of the purposes of the charity. The Charity's salary and pension income and significant items of property, care fees and grant expenditure has been centralised. For administrative simplicity most such income and expenditure is conducted through the General Fund bank accounts. Periodically, transfers of income and capital are made from other Funds into the General Fund in order to maintain the General Fund near to target levels.

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

12c ANALYSIS OF CHARITABLE FUNDS
2023

	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2023
	£	£	£	£	£	£
Convent Fund	207,838	124,595	(1,035,100)	911,502	-	208,835
Donations Fund	17,443,135	432,861	(304,783)	(128,078)	(1,360,689)	16,082,446
Property Fund	11,692,177	-	(240,623)	(501,476)	-	10,950,078
Retirements and						
Care Fund	38,002,470	1,152,303	(17,905)	(1,175,865)	(2,811,729)	35,149,313
Residential						
Care						
Homes Fund	495,686	2,158,494	(2,841,066)	819,551	-	632,665
Designated						
Funds	67,841,306	3,868,293	(4,439,478)	(74,366)	(4,172,418)	63,023,337
General Fund	6,423,843	3,341,709	(2,454,585)	74,366	-	7,385,333
	<u>£74,265,149</u>	<u>£7,210,002</u>	<u>£(6,894,063)</u>	<u>£-</u>	<u>£(4,172,418)</u>	<u>£70,408,670</u>

d) ANALYSIS OF CHARITABLE FUNDS
2022

	Balance at 1 April 2021	Income	Expenditure	Transfers	Gains on Investments	Balance at 31 March 2022
	£	£	£	£	£	£
Convent Fund	248,424	13,675	(927,393)	873,132	-	207,838
Donations Fund	16,494,875	406,529	(405,359)	(1,170)	948,260	17,443,135
Property Fund	11,976,744	-	(246,123)	(38,444)	-	11,692,177
Retirements and						
Care Fund	36,644,814	958,039	(14,582)	(937,613)	1,351,812	38,002,470
Residential						
Care						
Homes Fund	338,052	2,207,990	(2,775,514)	685,158	-	495,686
Designated						
Funds	65,702,909	3,626,233	(4,368,971)	581,063	2,300,072	67,841,306
General Fund	6,773,472	1,921,892	(1,690,458)	(581,063)	-	6,423,843
	<u>£72,476,381</u>	<u>£5,548,125</u>	<u>£(6,059,429)</u>	<u>£-</u>	<u>£2,300,072</u>	<u>£74,265,149</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 MARCH 2023

13 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR

	General Funds £	Designated Funds £	Total 2022 £
Income and endowments from:			
Donations and legacies			
Members' salaries and pensions	1,787,554	-	1,787,554
Other donations and legacies	58,469	27,054	85,523
Charitable activities			
Care Home Fees receivable		2,180,220	2,180,220
Investments			
Investment Income	1,152	1,364,781	1,365,933
Other Income			
Rents	67,392	-	67,392
Gains on sale of fixed assets	7,325	-	7,325
Other income	-	54,178	54,178
Total income	<u>1,921,892</u>	<u>3,626,233</u>	<u>5,548,125</u>
Expenditure on:			
Raising funds			
Investment managers' fees	-	14,582	14,582
Charitable activities			
Support for members and their mission	1,275,637	1,042,343	2,317,980
Care of the elderly	380,921	2,951,561	3,332,482
Relief of hardship	6,558	69,735	76,293
Other charitable activities	27,342	290,750	318,092
Total expenditure	<u>1,690,458</u>	<u>4,368,971</u>	<u>6,059,429</u>
Net Income / (expenditure) before other gains	231,434	(742,738)	(511,304)
Net (losses) / gains on investments	-	2,300,072	2,300,072
Net income	231,434	1,557,334	1,788,768
Transfers between funds	<u>(581,063)</u>	<u>581,063</u>	<u>-</u>
Net movement in funds	(349,629)	2,138,397	1,788,768
Total funds brought forward at 1 April 2021	6,773,472	65,702,909	72,476,381
Total funds carried forward at 31 March 2022	<u>£6,423,843</u>	<u>£67,841,306</u>	<u>£74,265,149</u>

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 MARCH 2023

14a

ANALYSIS OF NET ASSETS BY FUND 2023

	Designated Funds						
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund	General Fund	Total Funds
	£	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by							
Tangible fixed assets	-		10,950,078	-	3,224	36,861	10,990,163
Investments	-	15,082,446	-	35,149,313	-	-	50,231,759
Current Assets	208,835	1,000,000	-	-	819,102	7,465,866	9,493,803
Current liabilities	-	-	-	-	(189,661)	(117,394)	(307,055)
	<u>£208,835</u>	<u>£16,082,446</u>	<u>£10,950,078</u>	<u>£35,149,313</u>	<u>£632,665</u>	<u>£7,385,333</u>	<u>£70,408,670</u>
	5	6	3	3	3	3	0
Unrealised gains included above on listed investments	£-	£3,082,446	£-	£1,948,506	£-	£-	£5,030,952

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 MARCH 2023

14b ANALYSIS OF NET ASSETS BY FUND 2022

Designated Funds

	Designated Funds						Total Funds
	Convent Fund	Donations Fund	Property Fund	Retirement and Care Fund	Residential Care Homes Fund	General Fund	
	£	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:							
Tangible fixed assets	-	-	11,692,177	-	6,448	35,780	11,734,405
Investments	-	15,443,135	-	38,002,470	-	-	53,445,605
Current assets	207,838	2,000,000	-	-	655,612	6,531,542	9,394,992
Current liabilities	-	-	-	-	(166,374)	(143,479)	(309,853)
	<u>£207,838</u>	<u>£17,443,135</u>	<u>£11,692,177</u>	<u>£38,002,470</u>	<u>£495,686</u>	<u>£6,423,843</u>	<u>£74,265,149</u>
Unrealised gains / (losses) included above on listed investments	£-	£4,443,435	£-	£4,801,553	£-	£-	£9,244,988

15 Related party transactions

There were no related party transactions in either the current or prior year other than those referred to in note 2.



THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

England & Wales - Charity number 288158

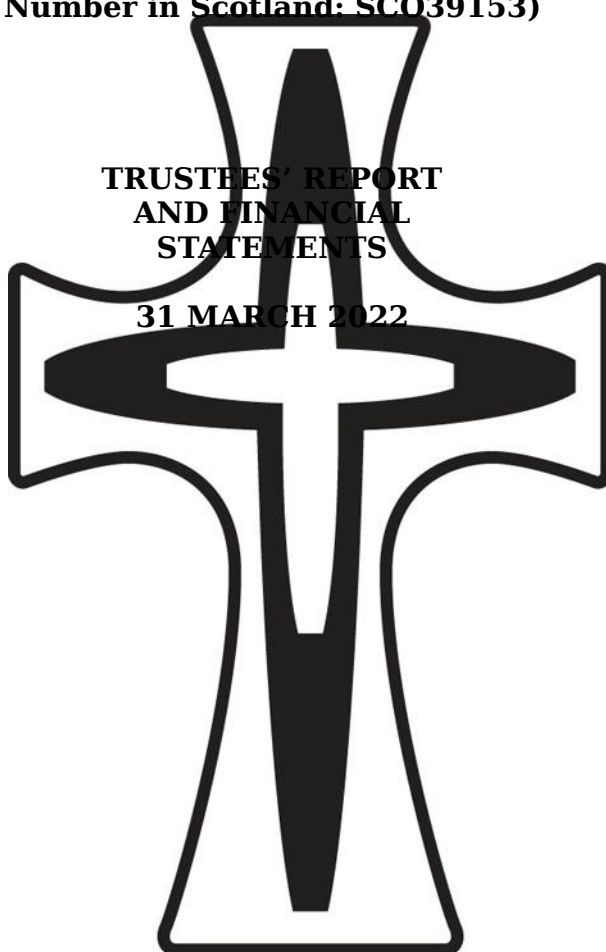
Accounts

**THE UNION OF THE SISTERS OF
MERCY OF GREAT BRITAIN**

**(Registered Charity Number in England
and Wales: 288158) (Registered Charity
Number in Scotland: SC039153)**

**TRUSTEES' REPORT
AND FINANCIAL
STATEMENTS**

31 MARCH 2022



**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Name: The Union of the Sisters of Mercy of Great Britain
(We are also known as Sisters of Mercy of the Union)

Governing Instruments: Trust Deed dated 29 September 1991

Address: Mercy Union Generalate
11 Harewood Avenue
London NW1 6LD

Charity Commission No: England and Wales 288158
Scotland SCO39153

The Trustees who served during the year are:

Sister Philomena Bowers (Superior)	Resigned 31 st October 2021
Sister Geraldine Lawlor (Superior)	Appointed 1 st November 2021
Sister Mary Horgan	Resigned 31 st October 2021
Sister Monica Killeen	Resigned 31 st October 2021
Sister Margaret Jones	Appointed 1 st November 2021
Sister Mary McGrath	Appointed 1 st November 2021
Sister Annette McCartan	Appointed 1 st November 2021
Sister Johanna Moloney	Appointed 1 st November 2021

The Finance Director to the Trustees is: Mr Alan Wraight

The Property Surveyor to the Trustees is: Mr Brian Kervick

The Solicitors are: JBB Solicitors
Capital Court
30 Windsor Street
UB8 1AB

The Independent Auditors are: Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

The Investment Advisers: Rathbone Brothers PLC
8 Finsbury Circus
London EC2M 7AZ

BlackRock
12 Throgmorton Avenue
London EC2N 2DL

The Bankers are: Bank of Ireland
PO Box 2124
Belfast BT1 9RS

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice For Charities (SORP 2015) (Second Edition), effective 1 January 2019.

As we write this report, the country is out of the restrictions due to the Covid-19 pandemic. During the year most non-essential activity was curtailed. The impact on the members and their ministry of engagement with the public has been intense. Yet, we will record later much creative engagement.

INTRODUCTION

The Congregation of the Sisters of Mercy was founded by Catherine McAuley in 1831 in Dublin, Ireland. The Union of the Sisters of Mercy, who number eighty-nine Sisters, have Convents throughout England, Scotland and Wales and Residential Care Homes in England and Wales. Historically Convents of Mercy have considerable autonomy in the conduct of their day-to-day affairs. The Leadership Team, who are the Trustees, supervise and control the activities of the Charity. Each Convent and Care Home send accounts to the General Bursar who, with the Finance Director, supports the Trustees in their management of the assets of the Charity.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Every five years, representatives of the Congregation meet in General Chapter with a twofold purpose:

- to set the direction for the next five years
- to elect a Congregational Leader and Team to implement decisions made

The Leader and Team are responsible for the pastoral care of the members and make regular visits to each community. The purpose of these visits is to provide support for the Sisters in their personal lives and in their ministry. The visits also provide an opportunity to engage in accountability for the operation of the Charity. Due to the coronavirus pandemic we were unable to meet in April 2020 but managed to rearrange the meeting which took place in September 2021.

The Charity is governed by a Trust Deed dated 29 September 1991 and is a registered charity - Charity Registration Number 288158. The Trustees were incorporated as a body under a Certificate of Incorporation issued by the Charity Commission on 25 June 1984. The Trustees of the Charity are the elected members of the Congregation and, therefore, have a good knowledge of the work of the Charity and its structure.

The names of the Trustees who served during the year are set out as part of the reference and administrative details on page 1 of this report. The Trustees bring to their role a wide variety of leadership and management experience gained in their professional lives and through membership of Boards. They usually attend lectures, conferences and workshops that equip them for their current role.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

During the financial year covered by the report, we have attended the following courses via Zoom and in person when restrictions were lifted.

During the year all or some of the Trustees attended:

Trustee responsibility conferences:

- Safeguarding Leads Zoom meeting.
- Safe Spaces / Hurt by abuse.
- Supporting survivors of abuse.
- Investment Managers meetings with Trustees - Blackrock / CCLA / Rathbones.
- IBB Solicitors Annual Charity Update.
- Religious Life for our World - Creating Communities of Hope - UISG.
- Archives Zoom.
- Supporting the Alzheimer's Society.
- MIA (Mercy International Association).
- Strategic Planning.

Working with Other Organisations / Engaging with Other Professionals

- Providence Row Board Meetings and interim updates in response to Coronavirus.
- IFU meetings Zoom.
- CoR General Meeting Zoom.
- Zoom Training Sessions ongoing.

Caring for the Environment

- Ecology - Realising the Vision - Walk of Witness Westminster CoR.
- Ecology Webinar - CoR.
- Global Healing - Global Climate Change MIA Zoom.
- Environment Tree planting for Jubilee Year.
- Neighbourhood and Environmental Meeting.

General topics:

- Synodal Process.
- Refugees and Migrants (Ukraine).
- Role of Women in the Church.
- Bereavement and Loss.
- Citizens UK/Birmingham Assembly Zoom.

Individual Trustee Attendance:

- Providence Row Housing Association, London.
- Providence Row, London Zoom.
- Union of International Superiors General (UISG) Zoom.
- Mercy International Association.
- "Discerning the Gold in human experience".
- Bursars Conference.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
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The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet at least monthly to review developments with regard to the Charity and its activities and make appropriate decisions following their review of property, finance, personnel and future needs. The Trustees seek professional advice when making decisions concerning the assets of the Charity. They engage the following professionals:

- Solicitors
- Surveyors (valuation and building)
- Investment Managers
- Accountants
- Health Care Specialists
- HR consultant
- Insurance Brokers.

The day-to-day management of the Charity's activities and implementation of policies is handled by the Trustees, the General Bursar, the Finance Director and Surveyor.

WORKING WITH OTHER ORGANISATIONS

In order to carry out its mission, the Charity works closely with other charities and public bodies. Working collaboratively with other agencies and charities is of significance to the Trustees. By doing so, the members of the Congregation are able to minister across a wider spectrum. Some of the organisations with which members have been engaged are:

- 11 Dioceses of the Roman Catholic Church.
- Providence Row (for homeless and vulnerable persons) and Providence Row Housing Association.
- The Lodging House Mission, Glasgow, Church of Scotland.
- Care Inspectorate Wales (CIW).
- Care Quality Commission (CQC), England.
- Education Authorities.
- Other Mercy Congregations in the UK and overseas.
- Other Religious Congregations both male and female.
- Entered into contracts with Catholic Safeguarding Standards Agency (CSSA) July 2021.
- Religious Life Safeguarding Service (RLSS) since February 2022.
- Scottish Safeguarding Agency.

FUNDRAISING

The charity receives donations from the general public but does not actively solicit funds for its activities either directly with the public or through the use of any third party fundraisers. No complaints were received during the year.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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RISK MANAGEMENT

The Trustees have instituted a risk review programme to identify major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees will continue to review major risks on an annual basis. In particular: -

Operational risk

As well as providing care and support for its own members within its own communities, the Charity also owns and operates two care homes which are available to members of the public. These care facilities are subject to regulation by the Care Quality Commission (CQC) and the Care Inspectorate Wales (CIW). To ensure compliance with the requirements of these bodies, the Trustees and senior management are required to attend seminars to alert them to any changes in requirements. If necessary, the Trustees engage a consultant in care home management to support themselves and local management and engage an experienced HR Consultant to assist with all employment matters.

Additionally, the Trustees have engaged the services of the Risk Management Department of their Insurance Brokers to undertake the Risk Assessment requirements of all their larger establishments.

Financial risk

The age profile of the members is increasing and there is an obligation to financially provide for them in retirement, especially those requiring care in old age. A designated fund has been formed to hold a professionally administered fund of investments sufficient to provide an income to achieve this.

Missionary risk

The Mission Statement commits the Congregation to work to alleviate poverty. In furtherance of this, with the number of members able to directly participate in this mission declining, the Trustees have designated a donations fund comprising of a professionally administered fund of investments. Income arising is designated for charitable grants and the Trustees receive regular reports to monitor expenditure and ensure it is consistent with its intended purpose.

OBJECTS

The Objects of the Charity are the advancement of religious and other charitable work, for the time being, carried on by or under the direction of The Union of the Sisters of Mercy of Great Britain ("the Society") as the Trustees, with the approval of the Superior of the Society, shall from time to time think fit. If at any time the Society shall cease to exist or shall cease to carry on or direct any charitable work, then the Object shall become such lawful charitable purposes connected with the advancement of the Roman Catholic Religion as the Trustees shall decide.

MISSION STATEMENT

"We, The Union of the Sisters of Mercy, in the spirit of Catherine McAuley, commit ourselves to be mercy to all, with a preferential option for the poor. We embrace the challenge of new ministries and will explore creative ways of sharing our life with others, for the sake of the Kingdom."

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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We carry out our Mission of Mercy inspired by Gospel values and guided by the charism of the Congregation which is to benefit the public, particularly women and children and those who are poor.

This commitment is manifested in the activities of the Charity.

PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to public benefit guidance published by the Charity Commission in determining the objectives for the year and the activities undertaken by the Charity.

The Charity Commission in its “Charities and Public Benefit” Guidance states that there are two key principles to be met in order to show that an organisation’s aims are for the public benefit; firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity and the activities reported on to achieve those aims, meet these two principles.

ACTIVITIES

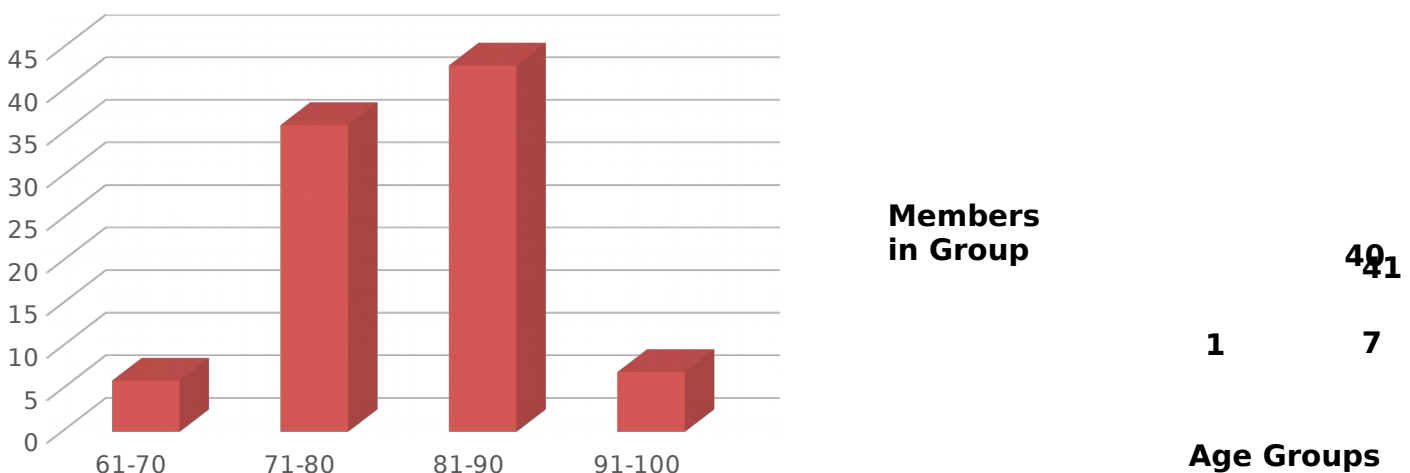
The activities of the Charity can be divided into four principal areas:

- Caring for the members of the Congregation.
- The social and pastoral work of the Sisters.
- The ownership and operation of Care Homes.
- The support of our overseas missions.

Each of these is considered in turn.

Caring for Members of the Congregation

In common with many Religious Congregations, the age profile of the members of the Congregation has changed considerably in recent years. Members grow older and new membership has ceased. On 31 March 2022 the age profile of the Congregation is shown in the following table:



**THE UNION OF THE SISTERS OF MERCY OF GREAT
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The Trustees are the elected Leadership Team of the Congregation and, as such, have a particular pastoral role within the Congregation. With three local community leaders and two pastoral care team members, they are engaged full time in the pastoral care of the membership.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted all (or a significant part) of their working lives to the ministries and outreach of the Charity. In order to enable the mission of the Charity to be fulfilled, some Sisters enjoyed a full working life of remunerated employment. Now, as the age profile of the Congregation increases, so too does the need to provide care for the members.

On 31 March 2022, 15 members of the Congregation were in residential care in the Charity's own homes and other homes.

Over the next decade, the Trustees expect the number requiring care may increase and are giving careful consideration to the impact of this on its active ministry, on the financial implications and on the property requirements.

To facilitate this, the Trustees aim:

- to enable all members to continue in Mercy ministry
- to ensure that members who can no longer live independently are provided for
- to review the Charity's property in the light of the age profile and the members' future needs

SPIRITUAL LIFE OF THE MEMBERSHIP

Members of the Congregation are given the opportunity for private prayer and reflection. Through study of the Scriptures, the documents of the Church and other resources they seek to continue their own spiritual development.

While their special commitments are to other members of the Roman Catholic Church, members of the Congregation regularly pray and celebrate with the wider community, including people of all faiths and none. They do this in a variety of ways and always by being available for those who approach them for help and support.

SOCIAL AND PASTORAL WORK

"The poor need help today, not next week."

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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Venerable Catherine McAuley

While our fourth vow commits us to care for the materially poor, we are conscious there are many forms of poverty. We respond as best we can.

Members of the Congregation were in ministry in many pastoral and social settings:

- working in parishes, visiting the housebound and elderly, helping in catechetical programmes.
- retreat work, spiritual development programmes and prayer groups.
- community social work with the homeless.
- pastoral care/chaplaincy in schools, hospitals, hospices and prison.
- bereavement counselling.
- support for asylum seekers, refugees.
- various justice and peace initiatives.
- Citizens UK.
- Interfaith Groups.
- Food Banks.

The Trustees have encouraged the members of the Congregation to stay connected with their place of ministry and to reach out to their local community, with a special concern for those who are poor and in need.

Most members minister as volunteers. Where Sisters are remunerated by way of stipend, the income is passed to the Charity and thereby ensures that the mission of the Charity may continue into the future.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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MINISTRY ACCOUNTS

There follows accounts of the ministries undertaken by members in West Wales, Birmingham, Essex and Edinburgh

FISHGUARD, WEST WALES



Like other communities, the covid pandemic has disrupted much of our life and our ministries. However, we have been able to continue to communicate with our local elderly both by telephone and by being in the “bubble” of those who lived alone and without relatives who lived near.

Now we have been able to take up

some of our regular ministries which include dementia groups which have restarted albeit with restricted activities. Sadly, general visitation at St. Teresa’s Rest Home and our local hospital as of yet is not possible. We deliver regular supplies of food and household goods to our local food bank.

As of late we have opened our house again to those who need one to one help.

It was a great joy to host the Mercy Associate gathering here for the first time and we did so with a special prayer service for the people of Ukraine.



STECHFORD, BIRMINGHAM

The Mercy Community at Stechford was founded in 1989 for service in the local Parish of Corpus Christi and as a place of discernment for women exploring a Vocation as a Sister of Mercy. The Congregation’s Charism of Mercy and the Sisters’ Fourth Vow - ‘the Service of those in need’, inspire and inform our way of life and decisions with regard to Ministry.

Two Sisters live in Community at Stechford. They minister mainly within the Parish of Corpus Christi, but one Sister pastorally supports the Staff of 2 Catholic Primary Schools in a neighbouring Parish and is an active member of the local Neighbourhood Forum. Along with other volunteers, she attends zoom or in-person meetings and carries out regular litter-picking duties.



Keeping Yardley West and Stechford clean.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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The other Sister represents the Parish at meetings of the Trustees of 'Sparkhill Satellite Foodbank in Stechford' and volunteers at the Foodbank on a Friday each month.

In the year 2021-22, following the complete easing of lockdown our ministries have included:

- pastoral and spiritual support for the bereaved, which includes helping them prepare Funeral Services.
- attendance at Funerals, often with the ministry of singing part of the Liturgy.
- visitation of the sick and elderly in their own homes or in Residential Care.
- delivery of Parish newsletters to the homes of those unable to attend Church. Although many people can now access church online, some are not able to do so and feel isolated from this vital support network.
- support for an elderly, infirm neighbour by providing cooked meals.
- offering our house year-round as a 'depot' for: -
 - a) storing, dating, and sorting donations of food and toiletries for the Foodbank.
 - b) in March 2022 for the receiving of parishioners' donated goods (bedding, toiletries etc) for the emergency relief effort in Ukraine.
- formation of adults wishing to explore the Catholic faith.
- co-ordination of Parish Liturgy and support for the current priest - a non-driver for whom English is a second language.
- participation in Fundraising events for Charity and the Church which included giving hospitality in the house to our Mercy Associates and other parish volunteers to plan the events and sort the donated goods 'for sale'.



ST. MICHAEL'S CARE HOME, CLACTON-ON-SEA

A Resident's Story



"I was born during the 1939-1945 world war. I've been informed, true or false I do not know, that my parents were killed



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during the war and as a result I was evacuated to the Sisters of Mercy orphanage in Bodmin. I have good memories of the place, as I was there until I was fourteen years old. My memories are very happy ones. I recall with great love and respect the sisters who cared for me and many others. Next door to St. Mary's was the Priory of St. Augustine. I spent six years there from where I was taken to Datchet for further education and to study Latin. After passing my exams I returned to Bodmin to the Canons Regular of the Latern. and was ordained a priest in Rome in 1959, and several Sisters of Mercy were present at my ordination. The Sisters of Mercy were my family and how wonderful it is now that I have returned to the sisters for my retirement. I am currently in St. Michael's Care Home, as it were, I'm back, to be cared for again, in the Mercy home, and so lucky to be here. I got a great welcome, I join the celebration of Mass, the rosary, and dine with the residents, lay and religious. I am very happy here”.

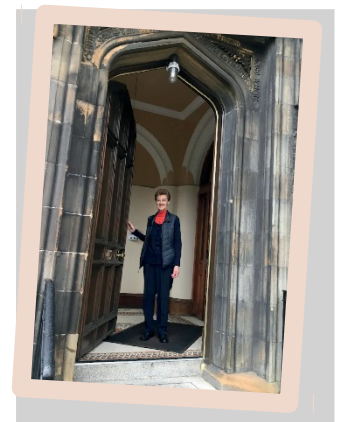
EDINBURGH, SCOTLAND

ST CATHARINE'S MERCY CENTRE

The Sisters of Mercy arrived in Scotland in 1858 and have had an extensive ministry in the city ever since.

There are currently six members in the community, and some have ministry in the local area and beyond:

- In parish ministry.
- Visitation of the housebound.
- Visitation of the poor and sick at home or in hospital.



The Convent is a centre for social action and ministry to the needy and some members of the community are engaged full-time with this outreach.

During the Pandemic we have been limited in our ministries due to Government Restrictions.

However, we have managed to offer the following services:

- Counselling individuals on a one- to-one basis here at our Centre.
- Assisting people with food parcels, toiletries, cleaning materials, sleeping bags, bedding, warm clothing and whatever other requests we received.
- On-going meetings with the SACRO Team regarding our collaboration with former prisoners and clients from the sex industry, who required one to one support.
- Zoom Prayer meetings with our Vespers Group.

“There are things the poor prize more than gold, though they cost the donor nothing. Among these are the kind word, the gentle compassionate look and the patient hearing of sorrows.”

Venerable Catherine McAuley

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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Government Restrictions moved to Level 2 which enabled us to begin preparations for the return of all the **support groups** and others back to the Centre.

These include:

- Alcoholics Anonymous
- Narcotics Anonymous
- Cocaine Anonymous
- Alanon
- Alateen DA
- AA. Inter-Group
- Local Service Community Group
- NA Convention Group



We held meetings with all the Groups Leaders, set up fully resourced disinfectant stations provided track and trace materials in each of the meeting rooms

We have had anti-virus equipment and routers installed into these 9 rooms.

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All these Groups returned to their meetings in June 2021.

OUR MERCY SPIRITUALITY SERVICE TO:

- The Legion of Mary.
- Union of Catholic Mothers.
- The Vespers Group,
- Retreats for Senior Pupils and other groups have all returned for their Conferences.
- Prayer Services.
- Masses.
- Reflection Days and other Meetings.

KEY ISSUES

At our General Chapter, held in September 2021, we were given the following Key Issues to consider:

- Leadership.
- Care of our Members.
- Diminishment and Completion.
- Handing On.

MERCY ASSOCIATES

Many communities have established Mercy Associate groups. The Mercy Associates are inspired by the vision of the foundress Venerable Catherine McAuley. The movement provides an opportunity for lay people (youth and adults, female and male, across denominations and cultures) to deepen their own prayer life and spirituality and encourages them to share in and contribute to the life and Mission of the Mercy Community in a way suited to their own lifestyle. In their own unique way Mercy Associates share the spirituality, prayer and ministry of the Sisters of Mercy.

THE OWNERSHIP AND OPERATION OF CARE HOMES

The Charity owns and operates Care Homes for those who are infirm and/or aged. Each of these Homes provides care for the members of the Congregation and for the members of the local area. Over the years the Charity has invested large sums of money in the upgrading of these homes to meet changing needs.

The Mission Statement expresses what we hope to provide at our Care Homes:

***Through our Charism of Mercy and in the spirit of Catherine McAuley
we commit ourselves to serving the needs of the elderly in our Care.***

St Michael's Care Home, Clacton-on-Sea

There are 43 beds at St Michael's purpose-built building. The property faces the promenade and the sea, and many Residents enjoy the added bonus of a sea-view.

St Teresa's Rest Home, Fishguard

St Teresa's is a 26 bed Rest Home. The property faces the sea and a small ferry port with regular services to Rosslare, Ireland. Both Welsh and English are spoken by most members of staff thus enabling Residents to communicate in the language of their choice.

The Trustees take very seriously the demands of the *Care Quality Commission* (England) and *The Care Inspectorate Wales* and have worked closely with the local Government Departments to fulfil their obligations. They visit regularly, are involved in interviews and appointments at management level, attend Advisory Board Meetings three times a year and are available to support the Managers, Staff and Residents.

At the three Advisory Board Meetings, attended by Trustees, Care Home Manager, Assistant Manager, Administrators and the Finance Director, the Trustees encourage good management and review the financial implications of care.

WORK OF THE MEMBERSHIP

***"Our Charity is to be cordial something that renews invigorates and warms.
Such should be the effect of our love for each other"***

Venerable Catherine McAuley

These words have inspired our actions and explain the variety of ministries in which the members are engaged.

Throughout the year, they have given their time to assist and support all in need. This has been done, observing Government restrictions and guidelines, and the following give an indication of what has been possible:

- Letter writing to prisoners.
- Writing / calling those who have been bereaved, the elderly and those living alone.
- Delivering parish newsletters to those housebound / shielding / at home.
- Support of local schools via written messages in their newsletter and phone calls and RE liturgies.
- Providing IT support for Sisters and others.

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- Keeping in touch with parishioners, arranging food drop-off to needy people and shopping.
- Keeping in touch with the care homes and supporting staff.
- Keeping in touch by phone with families and vulnerable people.
- Knitting hats and scarves for sailors; knitting for funds for hospice and collecting warm clothing for the homeless.
- Helping in soup kitchen and networking with other agencies to help the marginalised.
- Administrator for Mercy Care Centre.
- Co-ordinating the Woman's Day of Prayer
- Charity Shop Volunteers.
- Supporting Polish Community to provide material and financial help for refugees from the Ukraine.
- Member of The Diocesan Synodal Process.
- Chaplain to primary and secondary schools.
- Art/Painting projects for Mercy Groups and local schools.
- Preparing and creating videos for Christian YouTube and radio stations.
- Providing spiritual accompaniment.
- Supporting Irish Chaplaincy in Britain.
- Involved in organising workshops for sacramental programme preparation in Parishes.
- Supporting asylum seekers with translation of correspondence and official forms for Home Office and working with Latin American Chaplaincy and LA Community.
- Co-ordinate Environment Monthly Meeting Protection of Green Spaces clearance of fly tipping and years of debris.
- Volunteering work at Day Centre for Homeless and working with people who have addiction.
- Members of St. Vincent de Paul Society.
- House of Hospitality and Heritage Tours.
- Supporting Alzheimer's Society and Dementia Carers Group.
- Enabling and facilitation Contemplative Way of Prayer through meditation.
- Parish Organist and music lessons for the elderly.
- Toddlers Group.
- Over 50's Club.
- European Forum of Christian Women Zoom.
- Diocesan Secretary to The Union of Catholic Mothers.
- Staying in touch with Mercy Associates and Volunteers.

Our Foundress, Venerable Catherine McAuley, advised us:

“You should make hospitality your special care”

and members are always ready to extend hospitality to those who visit or call. We have 3 Sisters who have full- or part-time ministry and receive remuneration in the form of a fee or stipend for their services.

- Facilitation
- Parish/Pastoral Ministry.

5 Sisters are in full-time ministry of Central Leadership and find some time to:

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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- Support the National Mercy Associates Commission.
- Support a Housing Charity and a centre for people who are homeless.
- Volunteer in a Hospice Shop.
- Local Parish Ministry.

3 Sisters are in full-time Community Leadership. Their primary role is the pastoral care of the Sisters in community, the co-ordination of activities within the Convent and the overall maintenance of the property. They also outreach to the local area through:

- Shopping for the housebound.
- Supporting employees and co-workers.
- Parish support.

3 Sisters were in full-time ministry at a Retreat Centre until February 2022.
This centre has now reverted to the Passionist Fathers

2 Sisters on a Pastoral Care Team share ministry to the Residents and Staff of a Care Home. They:

- Visit residents in the Home and in Hospital.
- Promote the charism of Mercy and share the Mercy story with staff and residents.
- Liaise with Management and Staff.
- Co-ordinate the spiritual activities and create opportunities for Liturgical Celebration in Chapel.
- They support bereaved families and are often asked to help arrange the Funeral Services of a deceased resident and/or lead the service at the Crematorium.

One Sister has an additional role as:

- A Member of St Vincent de Paul Society (supporting needy families and individuals).
- A Volunteer with ICPO (Irish Council for Prisoners, Overseas).

2 Sisters are in ministry at the Mercy Spirituality, Heritage and Outreach Centre in Birmingham which is a collaborative community with 2 Sisters from The Institute of Our Lady of Mercy.

USE OF CHARITY PROPERTY

The 89 members of the Congregation reside at 35 locations:

21	in England
7	in Scotland
4	in Wales
1	in Northern Ireland
1	in the Republic of Ireland
1	in South Africa

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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Every five years, at our General Chapter we take a fresh look at our key values of hospitality, spirituality, education and mission among the people with the greatest need locally and globally in contemporary society.

In order to facilitate new and traditional ministries and the pastoral care of the Sisters we evaluate our properties and recognise when they become too large and unfit for purpose to comply with Charity Law.

In the course of the year our properties were not available to the public, but some engagement took place through:

- Providing food parcels or vouchers to those in need
- Telephoning those who were bereaved, living alone or depressed
- When possible, welcoming those who live alone for a cup of tea
- Prayer meetings when allowed
- Being a drop off and storage facility for Parish food bank
- Celebrating significant events in the garden
- Writing letters and cards to those living alone
- Using Zoom to engage with parishioners
- Taking delivery of mail for neighbours who are working
- Diocesan Committee Meetings
- Union of the Catholic Mothers Meeting

As restrictions were lifted, we were able to return to most of our former ministries.

GRANTS AND DONATIONS

Grants and donations are decided by the Trustees. These are in response to appeals from members of the Congregation, from individuals and organisations. The Trustees make decisions according to the Trust Deed, the Constitutions of the Congregation, its Mission Statement and decisions made over the years by the assembled members. The guidelines used in making donations have been expressed at various times as follows:

- We willingly share not only our material possessions but also our friendship, our influence and ourselves, doing so as stewards, not owners (*Constitution 10*).
- The Trustees shall apply the income for the advance of the religious, educational and other charitable work (*Trust Deed*).
- Care of older people, with special concern for those who are not financially secure, and projects for homeless people (*Chapter 1992*).
- Efforts that actively discourage structures that impoverish women, children and the earth (*Chapter 1996*).

These guidelines from the members of the Congregation assist the Trustees in deciding when to make a donation to an individual, other charity or an organisation.

Some specific donations during the current financial year were:

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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Caritas Spes is a charitable mission of the Roman Catholic Church in Ukraine. Its director, Father Vyacheslav said:

"My colleagues are working day and night. We prepare projects and coordinate activities even when we're hiding in bomb shelters. We are trying to respond to this situation as fast as we can. Thank you for your support. It is very important for us as humanitarian organisations that we see that we are not alone in this terrible situation."

Please keep the people of Ukraine and all our brothers and sisters affected by conflict in your thoughts and prayers.

Mary's Meals

Thank you so much for your precious gift, which is helping us to transform the lives of hungry children around the world with a nutritious daily meal in school. Your kindness is bringing food, joy and hope to the children who eat Mary's Meals, allowing them to make the most of their education and giving them the chance of a better future. Our meals make a huge difference to children like 11-year-old Tijanjane who attends Namalondwe Primary School in Malawi. It is the only place of education for miles and some children walk 5km every day to get there.

Tijanjane says:

"Normally, I am hungry when I get to school, but I don't feel hungry when I have eaten my phala (porridge). I am able to concentrate and listen to the teacher because I feel full."

Make Them Smile

Thank you for the confidence that you have shown in the work that we do. The support that you have given to us is very much appreciated, this will enable us to continue with our work throughout this year and beyond.

YCDT, Young Carers Development Trust

Your donation will make an enormous difference to YCDT's ability to take on new young carers, as we start to increase the number of young carers we support. I would like to share a comment from one of our young carers:

"There is honestly no way I could have done this without your support"
Scarlett, 19, Young adult Carer for her mother and younger siblings, studying Paediatric Nursing at the University of the West of England

Once again, many thanks for your generous donation.

LinkAble

Fundraising and Communications Manager, Rhys says:

"Being a local charity with limited resources each donation makes a difference. We simply would not be able to help children and adults with learning"

**THE UNION OF THE SISTERS OF MERCY OF GREAT
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disabilities to learn new skills, form lasting friendships and lead independent lives without your generosity and interest in our work."

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs outline the main achievements during the year in each of the Charity's principal activities.

1. Care for the Members of the Congregation

Throughout the year the Charity continued to assist and encourage the members of the Congregation in their charitable and religious work. Some members who needed care moved to our Care Homes. The Trustees continually monitor the needs of the members and the suitability of property.

2. Social Pastoral Work

Throughout the year Sisters continued to carry out various forms of social and pastoral ministry. This activity enabled the Charity to reach out to those in need within society generally and to benefit a significant number of people.

3. Care Homes

The quality of care being provided in our Homes is an ongoing focus for the Trustees and management. Each home has a Manager and senior staff who are responsible for the day to day running of the Home.

Each Home has had structural improvements carried out and there is a rolling programme of maintenance and decoration. The requirements of the Care Standards Act 2000 has had implications for us and we have responded as required by the Inspectorates.

We have been compliant with:

- the Regulation and Inspection of Social Care (Wales) Act 2016.
- the Health and Social Care Act 2008 and the Care Act 2014 in England.

The following table summarises some of the important statistics regarding the Homes:

	St Teresa's Rest Home			St Michael's Care Home		
	2020	2021	2022	2020	2021	2022
Residents	26	26	26	43	43	43
Occupancy	89%	86%	87%	99%	97.1%	97.5%
Staff - Full time (31 hours & over)	21	16	16	28	30	29
Staff - Part time (30 hours & below)	22	25	24	35	39	45

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

The Managers seek for full occupancy but there are circumstances that make full occupancy difficult at times: the needs of the enquirer cannot be met; the time needed to decorate a room following a death; waiting for decisions regarding funding. The Trustees sometimes accept a less than full occupancy because they are aware that one of their members may need care soon. Such a situation is rare and full occupancy is desirable.

CARE HOME ACTIVITIES



Bingo Time



Pebble painting and very colourful.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**



Listening to the
children singing



Gardening

FINANCIAL REVIEW

“There is very little good can be accomplished without the aid of money, we must look after it in small as well as in great matters.”

The Statement of Financial Activities and accompanying notes give an account of the finances of the Charity and their management.

Income received during the year included:

- Members’ stipends and pensions. This source of income, the most significant source at present, will continue to decline over the next decade as Sisters retire from remunerated employment and membership numbers fall.
- Care Home fees comprise both local authority and private residents’ contributions. The Charity spends more on the care of the elderly than is derived from fees; the shortfall has been supported by income and capital gains on the investments of the Care Home Fund.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

- Investment income comprised the remaining source of regular income.

Income from all sources totalled £5.5m (2021: £6.34m). The decrease is mainly attributable to a single legacy of £0.78m included within the income of the prior year. Expenditure totalled £6.06m (2021: £5.66m). Before investment gains/(losses) net expenditure was £0.51m (net income 2021: £0.68m).

Investment income was £1.37m (2021: £1.36m). There were net investment gains in the year of £2.30m (2021: £8.42m). The net movement in funds was therefore a surplus of £1.79m (2021 £9.10m).

Substantial donations were made in the year to the missions and charitable causes reflecting our commitment particularly to ministries with the poor, the homeless, women and children, and education. During the year £0.73m (2021: £0.73m) was incurred by the Trustees for the care of our Sisters in Residential Care. Much of this care was provided by the Care Homes of the Charity.

The Investment Portfolios of the Charity appear to be substantial in amount but are put into context by consideration of the number of Sisters of whom there are eighty-nine and of the other long-term commitments of the Charity for which designation has been made in the accounts. All but a very few of the Sisters are now retired from remunerated employment and others, after a lifetime of service for the Charity, have need of residential care.

RESERVES POLICY

Total funds at the year-end stood at £74.27m (2021: £72.48m) of which £67.90m (2021: £65.70m) is designated. The Trustees feel it is necessary to designate those funds required for particular purposes and this policy is explained in full in note 12 to the accounts.

RESERVES POLICY (CONTINUED)

General funds are retained to provide resources to meet the long-term commitments of our mission, for future compliance and administration costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement, the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. One of our Care Homes occupies a relatively old building, and it is inevitable that there will be increasing costs of maintenance and upgrading of facilities to present-day required standards.

The Trustees' target is to hold £7 million in reserve. The General Fund at the year-end stood at £6.37m (2021: £6.77m) and the trustees will aim to increase. The Trustees consider the current reserves, although not excessive, to be adequate for its requirements and anticipate that proceeds from a forthcoming surplus from asset sales will increase the General Fund to its approximate target.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

INVESTMENT POLICY

The Charity's investments are managed as indicated on Page 1. There are no restrictions on the Charity's power to invest. The Trustees, the General Bursar and Finance Director for the Congregation meet the Investment Managers twice a year. At these meetings the performance is reviewed, the income requirement discussed, and the likely market trends presented. The Trustees have in place an Ethical Policy that is reviewed annually. This is a broad policy that attempts to protect the objectives of the Charity as a Catholic Charity and yet give the Managers the freedom to maximise the investment money.

PAY POLICY FOR SENIOR STAFF

The Trustees and the senior management team comprise the key management personnel of the charity, in charge of operating and controlling the Society on a day-to-day basis. All Trustees give of their own time freely and received no remuneration in the year. Details of Trustees' related party transactions are disclosed in note 2 to the accounts.

The Trustees benchmark the pay of senior staff against pay levels in other comparable organisations on appointment and are advised by specialist consultants where necessary. This is reviewed annually to take account of increases in average earnings and the cost of living.

REVIEW OF DEVELOPMENTS DURING YEAR

The Trustees are confident that the finances will allow them to continue to develop the works of the Congregation. They continue to review all their assets. Communities are reducing in number, and this has an effect on the local community and its needs with regard to size of property.

The impact of Covid for the year to 31 March 2022 has been considerable. For the future period it is anticipated it will limit the scope of the pastoral works of the members, and require adjustments in practice elsewhere, especially in the care homes. However, the future financial impact has been assessed as very small.

FUTURE PLANS

The Trustees plan:

- to continue to support the Sisters and enable them to carry out their pastoral ministry.
- to monitor the needs of the Sisters as they grow older and to take appropriate action when care needs arise.
- to continue supporting their missions abroad.
- to collaborate with the Institute of Our Lady of Mercy at St Mary's Convent, Handsworth, Birmingham, which has been designated a heritage centre for all the Sisters of Mercy and Associates in the UK and serves the local community and environment;
- to financially support programmes and events to enable Associate members, co-workers and colleagues to fulfil their role in Church and Society.
- to provide the highest possible care for the Residents of the Care Homes and to meet the requirements laid down by the *Care Quality Commission, England* and the *Care Inspectorate Wales*.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

- to continue to share our resources with other communities in need and contribute generously to the needs of the Church and the world.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England/Wales & Scotland requires the Trustees to prepare financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

MEMBERS OF THE CONGREGATION, EMPLOYEES AND VOLUNTEERS

The Trustees acknowledge the dedication and commitment of the members of the Congregation, their employees and volunteers in enabling the mission of the Charity to be fulfilled and developed.

Approved by the Trustees on 20th September 2022 and signed on their behalf by:

Sister Geraldine
Lawlor Charity
Trustee

Sister Margaret
Jones Charity
Trustee

OPINION

We have audited the financial statements of the Sisters of Mercy of the Union of Great Britain for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of the charity's net movement in funds 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 charity 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 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 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

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extent otherwise explicitly stated in our report, 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. 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 23 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 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 FINANCIAL STATEMENTS

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 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 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

THE UNION OF THE SISTERS OF MERCY OF GREAT BRITAIN

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extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of trustees meetings.
- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN**

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assume responsibility to anyone other than the charity's trustees as a body for our
audit work, for this report, or for the opinions we have formed.

.....
Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:.....
Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the
Companies Act 2006

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Not es	General Funds £	Designat ed Funds £	Restric ted Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies						
Members' salaries and pensions		1,787,554	-	-	1,787,554	1,917,629
Other donations and legacies		58,469	27,054	-	85,523	968,177
Charitable activities						
Care Home Fees receivable		-	2,180,220	-	2,180,220	2,008,522
Investments						
Investment Income	3	1,152	1,364,781	-	1,365,933	1,356,398
Other Income						
Rents		67,392	-	-	67,392	68,370
Gains on sale of fixed assets		7,325	-	-	7,325	2,210
Other income		-	54,178	-	54,178	21,380
Total income		<u>1,921,892</u>	<u>3,626,233</u>	<u>-</u>	<u>5,548,125</u>	<u>6,342,686</u>
Expenditure on:						
Raising funds						
Investment managers' fees		-	14,582	-	14,582	21,508
Charitable activities	4a					
Support for members and their mission		1,275,637	1,042,343	-	2,317,980	2,344,451
Care of the elderly		380,921	2,951,561	-	3,332,482	3,017,330
Relief of hardship		6,558	69,735	-	76,293	115,920
Other charitable activities		27,342	290,750	-	318,092	164,205
Total expenditure		<u>1,690,458</u>	<u>4,368,971</u>	<u>-</u>	<u>(511,304)</u>	<u>5,663,414</u>
Net income / (expenditure) before other		231,434	(742,738)	-	(511,304)	679,272

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

gains					
Net (losses) /					
gains on					
investments	9	-	2,300,072	-	2,300,072
					8,419,424
Net income		231,434	1,557,334	-	1,788,768
Transfers		(581,063)			
between funds	12)	581,063	-	-
Net movement					
in funds		(349,629)	2,138,397	-	1,788,768
Total funds					
brought forward					
at 1 April 2021		6,773,472	65,702,909	-	72,476,381
Total funds					
carried forward					
at 31 March		£6,423,843	£67,841,306	-	£74,265,149
2022					£72,476,381

All amounts derive from continuing activities. All gains and losses are included in the Statement of Financial Activities. The notes on pages 29 to 41 form part of these accounts. Details of comparative figures by fund are disclosed in note 14.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN BALANCE SHEET
AS AT 31 MARCH 2022**

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		11,734,405		12,027,811
Investments	9		53,445,605		51,149,689
CURRENT ASSETS					
Debtors	10	91,342		880,632	
Term deposits		2,040,820		2,040,192	
Cash at bank and in hand		7,262,830		6,647,421	
		<u>9,394,992</u>		<u>9,568,245</u>	
CREDITORS:					
Amounts falling due within one year	11	<u>(309,853)</u>		<u>(269,364)</u>	
NET CURRENT ASSETS					
			9,085,139		9,298,881
TOTAL NET ASSETS					
RESTRICTED FUNDS					
	12		-		-
UNRESTRICTED FUNDS					
Designated Funds:					
Convent Fund		207,838		248,424	
		17,443,135		16,494,875	
Donations Fund		11,692,177		11,976,744	
Property Fund		38,002,470		36,644,814	
Retirement and Care Fund		495,686		338,052	
			67,841,306		65,702,909
General Funds	12		6,423,843		6,773,472
			<u>£74,265,149</u>		<u>£72,476,381</u>

Approved by the Trustees on 20th September 2022 and signed on their behalf by

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN BALANCE SHEET
AS AT 31 MARCH 2022**

Sister Geraldine Lawlor
Charity Trustee

Sister Margaret Jones
Charity Trustee

The notes on pages 29 to 41 form part of these accounts.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Not es	2022 £	2021 £
Cash Flows from operating activities			(1,134,806)
Net cash (used in) operating activities		(684,811)	6)
Cash flows from investing activities			
Dividends, interest and rents from investments		1,365,933	1,380,677
Proceeds from the sale of fixed assets		7,325	2,210
Purchase of fixed assets		(76,566)	(432,533)
Proceeds from sale of investments		10,000	192,468
Purchase of investments		(5,293)	(2,001,017)
Net cash provided by investing activities		<u>1,301,399</u>	<u>(858,195)</u>
Change in cash and cash equivalents in the reporting period		616,588	(1,993,001)
Cash and cash equivalents at the beginning of the reporting period		8,692,216	7
Cash and cash equivalents at the end of the reporting period		<u>£9,308,804</u>	<u>£8,692,216</u>
		2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)		1,788,768	9,098,696
Adjustments for:			
Depreciation charges		369,972	332,668
Profit on disposal of fixed assets		(7,325)	(2,210)
Gains on investments		(2,300,072)	(8,419,421)
Dividends, interest and rents from investments)	1)
Decrease/(increase) in debtors		(1,365,933)	(1,356,398)
Increase/(decrease) in creditors)	8)
		789,290	(772,747)
		40,489	(15,391)
Net cash provided (used in) operating activities		<u>£(684,811)</u>	<u>£(1,134,806)</u>
Analysis of cash and cash equivalents		2022 £	2021 £
Term deposits		2,040,820	2,040,192
Cash in hand		7,262,830	6,647,421
Cash held by broker		5,154	4,603
Total cash and cash equivalents		<u>£9,308,804</u>	<u>£8,692,216</u>

The notes on pages 29 to 41 form part of these accounts.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

a) General information

The Union of the Sisters of Mercy of Great Britain is an unincorporated registered charity in England and Wales (number 288158) and in Scotland (number SCO39153). Its registered address is Mercy Union Generalate, 11 Harewood Avenue, London, NW1 6LD.

b) Basis of preparation

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserve levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

d) Funds Structure

All the funds of the Charity are unrestricted funds. Unrestricted funds comprise those funds that the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in notes 12.

e) Tangible Fixed Assets

Land and buildings are stated at their cost or deemed cost based on existing use value as at 31 March 1997. All motor vehicles are capitalised at cost.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Freehold land	not depreciated
Freehold buildings	50
years Leasehold buildings	50
years Plant and machinery	10
years Motor vehicles	4
years	

f) Investments

Investments are a form of basic financial instrument and are initially shown in the accounts at market value. Movements in the market values of

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end of the year and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

ACCOUNTING POLICIES (continued)

f) Investments (continued)

In addition, the Charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the Charity at a fixed future date. No value can readily be attributed to the contract as future returns are dependent on bonuses which in turn depend on investment returns and inflation. Therefore the asset included in the balance sheet in respect of this scheme is valued on the basis of premiums paid to date in respect of Sisters still in the scheme. Receipts on maturity are recognised as investment gains net of the relevant premiums paid and the annual premiums are included as addition to the Deferred Annuity Contract.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Fees Receivable

Fees receivable are accounted for in the period in which the relevant services are provided.

k) Members' Salaries and Pensions

Members' salaries and pensions are received under Deeds of Covenant from members of The Union of the Sisters of Mercy and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

l) Legacies and Donations

Legacies and donations are recognised when receivable or when the Charity becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

m) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity.

n) Irrecoverable VAT

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

1. ACCOUNTING POLICIES (continued)

o) Charitable activities

Direct charitable expenditure consists of all expenditure directly relating to the objects of the Charity. The cost of charitable activities includes grants made and an apportionment of overhead and support costs as shown in note 4.

p) Allocation of overhead and support costs

Overhead and support costs exclusively incurred for a particular activity have been allocated to that activity. General overhead and support costs have been allocated between charitable activities in line with the proportion of total direct and grant funded costs incurred on each activity. The allocation of overhead and support costs is analysed in note 4.

q) Employee

benefits Short

term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension Scheme

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the accounts represent the contributions payable in the year.

r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

2. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and assets. They are therefore entirely dependent on the Charity for all their living expenses. The Trustees do not receive any payments or benefits for carrying out their duties other than their living expenses which are met by the Charity in their capacity as members of the Religious Order.

3 INVESTMENT INCOME				2022	2021
				£	£
Listed Investments				1,364,78	1,334,87
Cash Deposits				1	6
				<u>1,152</u>	<u>21,522</u>
				<u>£1,365,933</u>	<u>£1,356,398</u>
4 a ANALYSIS OF CHARITABLE EXPENDITURE	Activities undertaken Directly	Grant Funded Activities	Support Costs	Total 2022	Total 2021
	£	£	£	£	£
Support for members and their mission	2,118,736	-	199,244	2,317,980	2,344,451
Care of the elderly	2,974,415	71,620	286,447	3,332,482	3,017,330
Relief of Hardship Other Charitable activities	-	69,735	6,558	76,293	115,920
Evangelisation	-	106,000	9,967	115,967	81,021
Children's charities	-	13,000	1,223	14,223	6,573
Education	-	28,250	2,657	30,907	15,884
Homeless	-	31,000	2,915	33,915	11,502
Medical	-	8,000	752	8,752	31,221
Missions	-	90,500	8,511	99,011	16,909
Women's Charities	-	14,000	1,317	15,317	1,095
	<u>£5,093,151</u>	<u>£432,105</u>	<u>£519,591</u>	<u>£6,044,847</u>	<u>£5,641,906</u>
ANALYSIS OF SUPPORT COSTS	Support for	Care of the	Relief of	Other	2022 Total

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

	Members	Elderly	Hardship		
	£	£	£	£	£
Staff	139,438	200,465	4,589	19,135	363,627
Administration	36,912	53,067	1,215	5,065	96,259
Professional Governance (audit fees)	9,013	12,958	297	1,237	23,505
	<u>13,881</u>	<u>19,957</u>	<u>457</u>	<u>1,905</u>	<u>36,200</u>
	<u>£199,244</u>	<u>£286,447</u>	<u>£6,558</u>	<u>£27,342</u>	<u>£519,591</u>
	Activities undertaken Directly	Grant Funded Activities	Support Costs	2021 Total	
	£	£	£	£	
Support for members and their mission	2,140,139	-	204,312	2,344,451	
Care of the elderly	2,686,217	68,162	262,951	3,017,330	
Relief of Hardship	-	105,818	10,102	115,920	
Other Charitable activities					
Evangelisation	-	73,960	7,061	81,021	
Children's charities	-	6,000	573	6,573	
Education	-	14,500	1,384	15,884	
Homeless	-	10,500	1,002	11,502	
Medical	-	28,500	2,721	31,221	
Missions	-	15,435	1,474	16,909	
Women's Charities	-	1,000	95	1,095	
	<u>£4,826,356</u>	<u>£323,875</u>	<u>£491,675</u>	<u>£5,641,906</u>	
	ANALYSIS OF SUPPORT COSTS				
	Support for Members	Care of the Elderly	Relief of Hardship	Other	2021 Total
	£	£	£	£	£
Staff	161,555	207,923	7,988	11,315	388,781
Administration	17,179	22,109	849	1,203	41,340
Professional Governance (audit fees)	11,317	14,564	560	793	27,234
	<u>14,261</u>	<u>18,355</u>	<u>705</u>	<u>999</u>	<u>34,320</u>
	<u>£204,312</u>	<u>£262,951</u>	<u>£10,102</u>	<u>£14,310</u>	<u>£491,675</u>

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

5 ANALYSIS OF GRANTS	2022 Total	2021 Total
	£	£
Grants made to institutions	310,600	197,117
Grants made to individuals	<u>121,505</u>	<u>126,758</u>
	£432,10	
	5	<u>£323,875</u>
	Number	Number
Institutions	56	48
Individuals	<u>11</u>	<u>11</u>

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

6 RECIPIENTS OF INSTITUTIONAL GRANTS:	2022	2021
	£	£
Large Institutional Donations		
Diocese of Westminster	12,000	4,000
Diocese of Aberdeen	6,000	2,000
Diocese of Birmingham	6,000	2,000
Diocese of Brentwood	6,000	2,000
Diocese of Clifden	6,000	2,000
Diocese of Edinburgh	6,000	2,000
Diocese of Glasgow	6,000	2,000
Diocese of Menevia	6,000	12,000
Diocese of Motherwell	6,000	2,000
Diocese of Plymouth	6,000	2,000
Diocese of Shrewsbury	6,000	2,000
Providence Row Charity	10,000	5,000
Daniel's Corporation, Romania	50,900	33,895
St Joseph's Hospice	-	10,000
St John's Hospice	-	10,000
Weldman Hospicecare	10,000	-
Aid to the Church in Need	5,000	-
Addo, South Africa	14,600	15,435
Sagesse High School	25,000	-
CAFOD	10,000	10,000
SCIAF	10,000	10,000
Ashford Place	10,000	5,000
St Mary's Monastery	7,000	18,000
St Patrick's Parish	5,000	5,000
Irish Chaplaincy	5,800	-
The Living Room	5,000	-
Mary's Meals	5,000	-
Water Aid	5,000	-
Sightsavers	5,000	-
Folan Trust	5,000	-
St Mary's University, Twickenham	10,000	-
St Mary's and St Michael's Parish	5,000	-
Portman House Trust	5,000	-
Other	30,300	40,787
	<u>310,600</u>	<u>197,117</u>

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

7 STAFF COSTS	2022	2021
	£	£
Wages and Salaries	2,197,78	2,127,35
	5	0
Social Security costs	143,170	133,375
Other Pension Costs	129,476	138,352
	<u>£2,470,4</u>	<u>£2,399,0</u>
	<u>31</u>	<u>77</u>

The key management personnel of the charity comprise the Trustees, the General Bursar, the Finance Director, the Buildings Surveyor and the Care Home Managers. The total employee benefits of the key management personnel of the charity was £221,264 (2021: £212,794).

The average monthly head count was 128 staff (2021: 122 staff) and the average number of full-time equivalent employees (including part-time staff) during the year was:

	2022	2021
	Number	Number
Residential Homes	81	80
Convents	3	3
Other	5	5
	<u>89</u>	<u>88</u>

One member of staff received between £60,001 and £65,000 per annum (2020-21 -1).

The 89 Sisters of the Order who are under vows of Poverty, Chastity and Obedience conduct many of the activities of the Charity. No amounts are included in Staff Costs in respect of Sisters' services.

TANGIBLE FIXED

8 ASSETS

	Freehold land and Building s £	Leaseho ld land and Building s £	Plant and Machin ery £	Motor Vehicles £	Total £
Valuation					
At 1 April 2021	16,739,5	329,896	888,738	307,645	18,265,80
	28				7
Additions	-	-	56,031	20,535	76,566
Disposals	-	-	-	(8,990)	(8,990)
	<u>16,739,5</u>	<u>329,896</u>	<u>944,769</u>	<u>319,190</u>	<u>18,333,38</u>
At 31 March 2022	28		944,769	319,190	3
Depreciation					
At 1 April 2021	5,849,34	65,000	67,074	256,578	6,237,996
	4				
Eliminated on disposal	-	-	-	(8,990)	(8,990)
Charge for the year	243,523	2,600	94,475	29,374	369,972
	<u>6,092,86</u>	<u>2,600</u>	<u>94,475</u>	<u>29,374</u>	<u>369,972</u>
At 31 March 2022	7	67,600	161,549	276,962	6,598,978
Net Book Value					

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

	<u>10,646,6</u>	<u>262,296</u>	<u>783,220</u>	<u>42,228</u>	<u>11,734,40</u>
At 31 March 2022	61				5
	<u>10,890,1</u>	<u>264,896</u>	<u>821,664</u>	<u>51,067</u>	<u>12,027,81</u>
At 31 March 2021	84				1

Apart from a small proportion of excess accommodation which is let and minimal use for management and administrative purposes, all fixed assets are held for direct charitable purposes.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

9	INVESTMENTS				2022	2021
				£	£	
	Listed investments			53,417,262	51,112,725	
	Unlisted investments			23,189	32,361	
				<u>53,440,451</u>	<u>51,145,086</u>	
	Portfolio cash			5,154	4,603	
	At 31 March 2022			<u>£53,445,605</u>	<u>£51,149,689</u>	
		General Fund	Donations Fund	Retirement Fund	Total	
		£	£	£	£	
	Market Value at 1 April 2021	10,000	14,494,874	36,640,212	51,145,086	
	Additions	-	-	5,293	5,293	
	Disposals	(10,000)	-	-	(10,000)	
	Realised gains	-	-	-	-	
	Unrealised revaluation gains/(losses)	-	948,261	1,351,811	2,300,072	
		<u>-</u>	<u>15,443,135</u>	<u>37,997,316</u>	<u>53,440,451</u>	
	Portfolio Cash	-	-	5,154	5,154	
	Market Value at 31 March 2022	<u>-</u>	<u>£15,443,135</u>	<u>£38,002,470</u>	<u>£53,445,605</u>	
	Cost at 31 March 2022	<u>-</u>	<u>£11,000,000</u>	<u>£33,345,452</u>	<u>£44,345,572</u>	
			Listed Investments	Unlisted Investments	Total	
			£	£	£	
	UK Managed funds		53,417,262	-	53,417,262	
	Deferred Annuity Contracts and Investment Bonds		-	23,189	23,189	
			<u>£53,427,262</u>	<u>£23,189</u>	<u>£53,440,451</u>	
10	DEBTORS			2022	2021	
				£	£	
	Trade and other debtors			37,037	14,729	
	Prepayment and accrued income			54,305	865,903	
				<u>£91,342</u>	<u>£880,632</u>	
11	CREDITORS: Amounts falling due within one year			2022	2021	
				£	£	
	Trade and other creditors			133,338	74,973	
	Accruals			147,737	176,943	
	Other tax and social security			28,778	17,448	
				<u>£309,853</u>	<u>£269,364</u>	

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

12. CHARITABLE FUNDS

- a) The Trustees have designated funds out of the unrestricted funds for specific purposes as follows:

Convent Fund

88 Sisters form the membership of the Charity residing in 35 locations. The Trustees have designated funds to provide for the day to day running of these convents. Funds of £873,132 were transferred from the general fund during the year.

Donations Fund

A fund has been designated backed by a portfolio of investments. The purpose of this fund is to support the charitable activities, other than support for its members, of the Charity.

Property Fund

In order to fulfil its charitable objectives, the Charity needs a large number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Charity's work. Trustees therefore feel that it is appropriate to reflect the book value of properties by means of a designated fund. The movement in the Property Fund represents the property transactions and depreciation in properties during the year. With effect from 31 March 2020, this now includes non-moveable plant and equipment.

Retirement and Care Fund

A fund has been designated to enable the Charity's commitment to provide for the retirement and care in old age and sickness of its members including the cost of nursing and residential care home fees. An initial designation of £30.3 million which has subsequently grown to £38 million has been made whilst the Trustees have estimated that a fund of some £41 million will be required to make provision for the ongoing needs of members after taking account of their occupational pension rights. The Trustees have designated an investment portfolio for this Fund and the deferred annuity contract pension scheme established for certain Sisters.

Residential Care Homes Fund

The charity operates two residential care homes. The Trustees consider it appropriate to designate funds for the working capital requirements of these activities. During the year there was a transfer from the General Fund of £706,053.

- b) ***General Fund***

General funds are retained to provide resources to meet the long-term commitments of our mission, for future administration and compliance costs, for the maintenance of our properties and to provide adequate funds for working capital. In the past the cost of our mission was met from our members' surplus salary income but now in retirement the surplus has become an annual deficit and the cost of our mission must be supported by designated funds and reserves. The General Fund at the year-end stood at £6.4 million.

The Trustees' have calculated that a reserve of £7 million is an appropriate amount for this purpose. Sales proceeds from surplus assets in the forthcoming year will bring the General Fund to its target level of reserves.

All unrestricted funds are available to be spent for any of the purposes of the charity. The Charity's salary and pension income and significant items of property, care fees and grant expenditure has been centralised. For administrative simplicity most such

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

income and expenditure is conducted through the General Fund bank accounts. Periodically, transfers of income and capital are made from other Funds into the General Fund in order to maintain the General Fund near to target levels.

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

**12c ANALYSIS OF CHARITABLE
FUNDS 2022**

	Balance at 1 April 2021	Income	Expendit ure	Transfer s	Gains on Investm ents	Balance at 31 March 2022
	£	£	£	£	£	£
Convent Fund	248,424	13,675	(927,393)	873,132	-	207,838
Donations Fund	16,494,875	406,529	(405,359)	(1,170)	948,260	17,443,135
Property Fund	11,976,744	-	(246,123)	(38,444)	-	11,692,177
Retirements and Care Fund	36,644,814	958,039	(14,582)	(937,603)	1,351,812	38,002,470
Residential Care Homes Fund	338,052	2,247,990	(2,775,514)	685,158	-	495,686
Designated Funds	65,702,909	3,626,233	(4,368,971)	581,063	2,300,072	67,841,306
General Fund	6,773,472	1,921,892	(1,690,458)	(581,063)	-	6,423,883
Restricted Fund	-	-	-	-	-	-
	<u>£72,476,381</u>	<u>£5,548,125</u>	<u>£(6,059,429)</u>	<u>£-</u>	<u>£2,300,072</u>	<u>£74,265,149</u>

**d) ANALYSIS OF CHARITABLE
FUNDS 2021**

	Balance at 1 April 2020	Income	Expendit ure	Transfer s	Gains on Investm ents	Balance at 31 March 2021
	£	£	£	£	£	£
Convent Fund	218,507	77,372	(988,078)	940,623	-	248,424
Donations Fund	14,344,587	408,369	(292,159)	(205,915)	2,239,993	16,494,875
Property Fund	11,837,905	-	(246,123)	384,962	-	11,976,744
Retirements and Care Fund	30,562,538	945,373	(21,508)	(1,021,020)	6,179,431	36,644,814
Residential Care Homes Fund	280,945	2,034,351	(2,533,861)	556,617	-	338,052
Designated Funds	57,244,482	3,465,465	(4,081,759)	655,267	8,419,424	65,702,909
General Fund	6,133,203	2,877,221	(1,581,685)	(655,267)	-	6,773,472
Restricted Fund	-	-	-	-	-	-
	<u>£63,377,6</u>	<u>£6,342,6</u>	<u>£(5,663,4</u>	<u>£-</u>	<u>£8,419,42</u>	<u>£72,476,</u>

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

<u>85</u>	<u>86</u>	<u>14)</u>		<u>4</u>	<u>381</u>
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**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

**STATEMENT OF FINANCIAL ACTIVITIES - PRIOR
13 YEAR**

	General Funds	Designat ed Funds	Restric ted Funds	Total 2021
	£	£	£	£
Income and endowments from:				
Donations and legacies				
Members' salaries and pensions	1,917,629	-	-	1,917,629
Other donations and legacies	886,446	81,731	-	968,177
Charitable activities				
Care Home Fees receivable	-	2,008,522	-	2,008,522
Investments				
Investment Income	2,566	1,353,832	-	1,356,398
Other Income				
Rents	68,370	-	-	68,370
Gains on sale of fixed assets	2,210	-	-	2,210
Other income	-	21,380	-	21,380
	<u>2,877,221</u>	<u>3,465,465</u>	<u>-</u>	<u>6,342,686</u>
Total income				
Expenditure on:				
Raising funds				
Investment managers' fees	-	21,508	-	21,508
Charitable activities				
Support for members and their mission	1,246,081	1,098,370	-	2,344,451
Care of the elderly	311,192	2,706,138	-	3,017,330
Relief of hardship	10,102	105,818	-	115,920
Other charitable activities	14,310	149,895	-	164,205
	<u>1,581,684</u>	<u>4,081,729</u>	<u>-</u>	<u>5,663,414</u>
Total expenditure				
Net Income / (expenditure) before other gains	1,295,536	(616,264)	-	679,272
Net (losses) / gains on investments	-	8,419,424	-	8,419,424
	<u>1,295,536</u>	<u>7,803,160</u>	<u>-</u>	<u>9,098,696</u>
Net income				
Transfers between	(655,267)	655,267	-	-

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

funds)			
Net movement in funds	640,269	8,458,427	-	9,098,696
Total funds brought forward at 1 April 2020	6,133,203	57,244,482	-	63,377,685
Total funds carried forward at 31 March 2021	£6,773,472	£65,702,909	£-	£72,476,381

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

**14 ANALYSIS OF NET ASSETS BY
a. FUND 2022**

	Restrict ed Fund £	Designate d Funds				Retirem ent and Care Fund £	Residen tial Care Homes Fund £	Genera l Fund £	Total Funds £
		Conve nt Fund £	Donatio ns Fund £	Property Fund £					
Fund balances at 31 March 2022 are represented by									
Tangible fixed assets	-	-	-	11,692,177	-	6,448	35,780	11,734,4 05	
Investments	-	-	15,443,1 35	-	38,002,4 70	-	-	53,445,6 05	
Current Assets	-	207,83 8	2,000,00 0	-	-	655,612	6,531,5 42	9,394,9 92	
Current liabilities	-	-	-	-	-	(166,374)	(143,47 9)	(309,853)	
	£-	£207,8 38	£17,443, 135	£11,692,17 7	£38,002, 470	£495,686	£6,423, 843	£74,265, 149	
Unrealised gains / (losses) included above on listed investments	£-	£-	£6,443,4 35	£-	£3,304,3 85	£-	£-	£9,747,8 20	

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

	Designated Funds						General Fund	Total Funds
	Restrict ed Fund	Conve nt Fund	Donatio ns Fund	Property Fund	Retireme nt and Care Fund	Residen tial Care Homes Fund		
	£	£	£	£	£	£	£	
Fund balances at 31 March 2021 are represented by:								
Tangible fixed assets	-	-	-	11,976,744	-	9,672	41,395	12,027,811
Investments	-	-	14,494,875	-	36,644,814	-	10,000	51,149,689
Current assets	-	248,424	2,000,000	-	-	506,170	6,813,651	9,568,245
Current liabilities	-	-	-	-	-	(177,790)	(91,574)	(269,364)
	<u>£-</u>	<u>£248,424</u>	<u>£16,494,875</u>	<u>£11,976,744</u>	<u>£36,644,814</u>	<u>£338,052</u>	<u>£6,773,472</u>	<u>£72,476,381</u>
Unrealised gains / (losses) included above on listed investments	£-	£-	£5,494,875	£-	£3,304,385	£-	£-	£8,799,260

15 Related party transactions

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

There were no related party transactions in either the current or prior year other than those referred to in note 2.