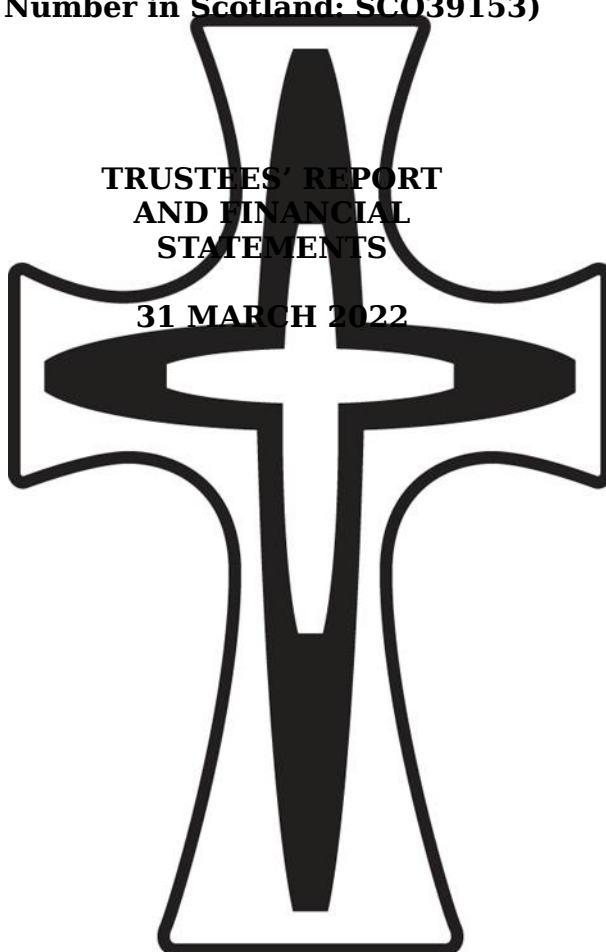


**THE UNION OF THE SISTERS OF
MERCY OF GREAT BRITAIN**

**(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
	Mr Alan Wraight	
	Mr Brian Kervick	
The Finance Director to the Trustees is:	BB Solicitors Capital Court 30 Windsor Street UB8 1AB	
The Property Surveyor to the Trustees is:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
The Solicitors are:	Rathbone Brothers PLC 8 Finsbury Circus London EC2M 7AZ	
The Independent Auditors are:	BlackRock 12 Throgmorton Avenue London EC2N 2DL	
	Bank of Ireland PO Box 2124 Belfast BT1 9RS	

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

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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

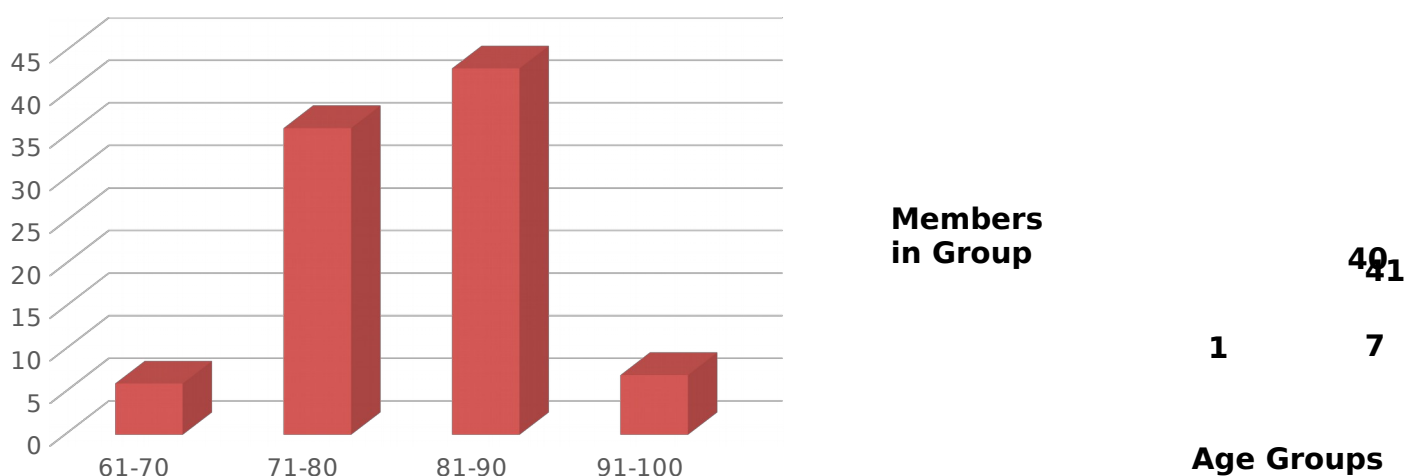
The activities of the Charity can be divided into four principal areas:

- 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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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



**THE UNION OF THE SISTERS OF MERCY OF GREAT
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FOR THE YEAR ENDED 31 MARCH 2022**

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".

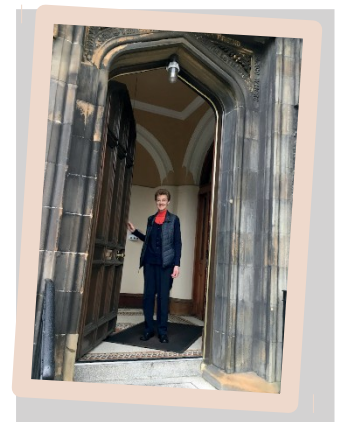
EDINBURGH, SCOTLAND

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**



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.

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

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.

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

- 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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

- 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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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 Tijanane 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.

Tijanane 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
BRITAIN TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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)
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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



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
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~~INDEPENDENT AUDITORS' REPORT TO THE~~
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)	-		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	-	8,419,424
Net income		231,434	1,557,334	-	9,098,696
Transfers		(581,063)			
between funds	12)	581,063	-	-
Net movement					
in funds		(349,629)	2,138,397	-	9,098,696
Total funds					
brought forward					
at 1 April 2021		6,773,472	65,702,909	-	63,377,685
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
			<u>£74,265,149</u>		<u>£72,476,381</u>
TOTAL NET ASSETS					
RESTRICTED FUNDS	12		-		-
UNRESTRICTED FUNDS					
Designated Funds:	12				
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					
Residential Care Homes Fund		<u>495,686</u>		<u>338,052</u>	
			67,841,306		65,702,909
			6,423,843		
General Funds	12		<u>3</u>		<u>6,773,472</u>
			<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)	
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		1,301,399	(858,195)
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	10,685,217
Cash and cash equivalents at the end of the reporting period		£9,308,804	£8,692,216
		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		(1,365,933)	(1,356,398)
Decrease/(increase) in debtors		789,290	(772,747)
Increase/(decrease) in creditors		40,489	(15,391)
Net cash provided (used in) operating activities		£(684,811)	£(1,134,806)
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		£9,308,804	£8,692,216

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
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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.

INVESTMENT				2022	2021
3	INCOME			£	£
				1,364,78	1,334,87
	Listed Investments			1	6
	Cash Deposits			1,152	21,522
				<u>£1,365,9</u>	<u>£1,356,3</u>
				33	98
		Activitie	Grant		
		s	Funded		
		undertaken	Activiti		
4	ANALYSIS OF	Directly	es	Total	Total
a	CHARITABLE	£	£	2022	2021
	EXPENDITURE			£	£
	Support for members and their mission	2,118,736	-	199,244	2,344,451
	Care of the elderly	2,974,415	71,620	286,447	3,017,330
	Relief of Hardship	-	69,735	6,558	76,293
	Other Charitable activities	-	-	-	115,920
	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>£5,093,1</u>	<u>£432,10</u>	<u>£519,5</u>	<u>£6,044,8</u>
		51	5	91	47
	ANALYSIS OF				
	SUPPORT COSTS				
		Support	Care of	Relief	Other
		for	the	of	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	11,317	14,564	560	793	27,234
Governance (audit fees)	<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	121,505	126,758
	<u>£432,105</u>	<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	2,197,785	2,127,350
Social Security costs	143,170	133,375
Other Pension Costs	129,476	138,352
	<u>£2,470,431</u>	<u>£2,399,077</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 Buildings	Leaseho ld land and Buildings	Plant and Machin ery	Motor Vehicles	Total
	£	£	£	£	£
Valuation					
At 1 April 2021	16,739,528	329,896	888,738	307,645	18,265,807
Additions	-	-	56,031	20,535	76,566
Disposals	-	-	-	(8,990)	(8,990)
	<u>16,739,528</u>	<u>329,896</u>	<u>944,769</u>	<u>319,190</u>	<u>18,333,383</u>
At 31 March 2022					
	<u>16,739,528</u>	<u>329,896</u>	<u>944,769</u>	<u>319,190</u>	<u>18,333,383</u>
Depreciation					
At 1 April 2021	5,849,344	65,000	67,074	256,578	6,237,996
Eliminated on disposal	-	-	-	(8,990)	(8,990)
Charge for the year	243,523	2,600	94,475	29,374	369,972
	<u>6,092,867</u>	<u>67,600</u>	<u>161,549</u>	<u>276,962</u>	<u>6,598,978</u>
At 31 March 2022					
	<u>6,092,867</u>	<u>67,600</u>	<u>161,549</u>	<u>276,962</u>	<u>6,598,978</u>
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	<u>61</u>	<u>262,296</u>	<u>783,220</u>	<u>42,228</u>	<u>5</u>
	<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	<u>84</u>	<u>264,896</u>	<u>821,664</u>	<u>51,067</u>	<u>1</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)**

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>
		-	5	6	1
	Portfolio Cash	-	-	5,154	5,154
	Market Value at 31 March 2022	-	£15,443,135	£38,002,470	£53,445,605
		<u>-</u>	<u>£11,000,000</u>	<u>£33,345,452</u>	<u>£44,345,572</u>
	Cost at 31 March 2022	<u>-</u>	<u>00</u>	<u>52</u>	<u>72</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>
			62	51	
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></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	<u>(655,267)</u>	<u>655,267</u>	<u>-</u>	<u>-</u>

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

funds	<u>)</u>	<u> </u>	<u> </u>	<u> </u>
Net movement in funds	640,269	8,458,427	-	9,098,696
Total funds brought forward at 1 April 2020	<u>6,133,203</u>	<u>57,244,482</u>	<u>-</u>	<u>63,377,685</u>
Total funds carried forward at 31 March 2021	<u>£6,773,472</u>	<u>£65,702,909</u>	<u>£-</u>	<u>£72,476,381</u>

**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**

		Designated Funds						
	Restrict ed Fund £	Conve nt Fund £	Donatio ns Fund £	Property Fund £	Retirem ent and Care Fund £	Residen tial Care Homes Fund £	Genera l Fund £	Total Funds £
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>£-</u>	<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	£-	£-	£6,443,435	£-	£3,304,385	£-	£-	£9,747,820

**THE UNION OF THE SISTERS OF MERCY OF GREAT
BRITAIN NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

**14 ANALYSIS OF NET ASSETS BY
b. FUND 2021**

		Designated Funds						
		Restrict ed Fund £	Conve nt Fund £	Donatio ns Fund £	Property Fund £	Retireme nt and Care Fund £	Residen tial Care Homes Fund £	General Fund £
								Total Funds £
Fund balances at 31 March 2021 are represented by:								
Tangible fixed assets	-	-	-	-	11,976,744	-	9,672	41,395
Investments	-	-	14,494,875	-	36,644,814	-	-	10,000
Current assets	-	248,424	2,000,000	-	-	-	506,170	6,813,651
Current liabilities	-	-	-	-	-	-	(177,790)	(91,574)
		£248,424	£16,494,875	£11,976,744	£36,644,814	£338,052	£6,773,472	£72,476,381
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.