

Mater Ecclesiae CIO



Annual Report and Accounts

31 March 2020

Charity Registration Number
1171476

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Reference and administrative information

Trustees	Brother James Boner Sister Clare Lennon Sister Rosemary Peacock Sister Theresa Tighe (appointed 17 December 2019) Doctor Jacqueline Wilkinson
Mother General	Sister Clare Lennon
Principal address	Mater Ecclesiae Convent Street Ashton House Street Ashton Rugby CV23 0PJ
Charity registration number	1171376
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Brewin Dolphin Limited 9 Colmore Row Birmingham B3 2BJ
Bankers	Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

The trustees present their report and accounts of Mater Ecclesiae CIO (the charity) for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 21 to 26 of the attached accounts and comply with the charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of Mater Ecclesiae is a diocesan Roman Catholic religious congregation (Congregation) known formerly as the Congregation of Mary, Mother of the Church, founded in 1982 by Sister Catherine Mulligan SMR with the purposes of enabling mature women to enter religious life. The Congregation is governed by its own Constitutions.

The accounts accompanying this report are the accounts of the Mater Ecclesiae CIO (Charity Registration Number 1171376) ("the charity" or "the CIO"), a charitable incorporated organisation (CIO) incorporated on 31 March 2017. The CIO and was established to continue the activities of the Mater Ecclesiae Trust Fund, a charitable trust constituted by a trust deed dated 25 July 2007 as amended by a supplemental deed dated 30 January 2016 and registered with the Charity Commission (Charity Registration Number 1120575).

Charism and mission

"Go out to the whole world and proclaim the good news" Mk 16:15

The eloquent title of Mater Ecclesiae is an ancient title deeply engraved in the Scriptures. Modern devotion to Mary under this title begins with the proclamation by Pope Paul VI in November 1964 in his concluding address to the third session of the Second Vatican Council.

"We declare most Holy Mary, Mater Ecclesiae, that is, Mother of the whole Christian People"

Specific objectives, activities and relevant policies

The object of the charity is the advancement of the Roman Catholic Religion through the religious and other charitable work of the Congregation as the trustees shall from time to time think fit provided that if, at any time, the Congregation shall have ceased to exist, the trustees shall advance the Roman Catholic Religion in such exclusively charitable way or ways as the trustees shall from time to time think fit, in sympathy with the Congregation's charism and the philosophy and ideology of the Congregation's foundress Sister Catherine Mulligan SMR.

Specific objectives

The work of the charity is primarily to support and maintain the members of the Congregation of Mater Ecclesiae, a community of religious sisters, who both by intercessory prayer and practical work advance the following charitable purposes:

- ◆ the promotion and maintenance of public worship;
- ◆ the maintenance of the fabric and furnishings of any church or chapel used for worship that is open to the public;
- ◆ taking the sacrament of Holy Communion to nursing homes, and/or to others who cannot attend public worship;

Specific objectives, activities and relevant policies (continued)

Specific objectives (continued)

- ◆ praying with people who are not members of the Congregation of Mater Ecclesiae;
- ◆ allowing visitors to share in the religious life and worship of the community;
- ◆ the production, publication and/or dissemination of religious works by supporting Seminarians and other students;
- ◆ catechising children;
- ◆ preparing people for baptism and/or confirmation;
- ◆ running or hosting public courses, seminars, lectures and/or conferences; and
- ◆ giving money and/or property to other charities carrying out work consistent with the CIO's objects.
- ◆ The relief of poverty, human suffering and/or distress, and the protection and preservation of spiritual, emotional, physical and/or psychological health, including by:
 - ◇ visiting the sick, elderly, housebound, prisoners and/or others in need;
 - ◇ by giving financial assistance, goods, services and/or other support to the poor;
 - ◇ corresponding with the sick, elderly, housebound, prisoners and/or others in need; and
 - ◇ by providing hospitality to visitors.

The principal work with which the sisters are involved concerns the provision of social and pastoral care in the wider community. The sisters aim to help people come to a deeper understanding of God, themselves and others and to provide a witness to others of a radical and counter-cultural way of life which celebrates the unique value of every person and recognises the need we have for one another.

By supporting and caring for the individual members throughout their lives within the Congregation, the charity aims to enable and support the sisters in living out their faith and serving other people, keeping in mind both the most urgent contemporary needs and present capacities of the sisters.

When setting the aims, planning the work of the charity and encouraging the work of individual members of the Congregation, the trustees give careful consideration to the Charity Commission's general guidance on public benefit.

Activities

The main activities of the charity during the year were to:

- ◆ Care for the members of the Congregation.
- ◆ Continue the Charism of the Congregation by forming a group of lay Associates.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

- ◆ Share the community's life, hospitality and environment to provide opportunities for others to deepen their spiritual awareness.
- ◆ Participate in outreach activities, especially to the lonely, the housebound and those in care homes, and contribute to charities caring for those in need.
- ◆ Giving donations to charities and those in need.

Caring for members of the Congregation

The Congregation has six members, the majority of whom have given their working lives to the charitable activities of the Congregation, and any earnings are gifted to the charity. In common with many religious congregations in Britain, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations decreases. The average age at 31 March 2020 was 81.

The charity has an obligation, both moral and legal, to provide care for the members of the Congregation, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the work of Congregation. As the age profile of the Congregation increases so too does the need to provide care for the sisters.

Five of the six sisters are now in residential care homes in locations that they have chosen to be near family or for personal reasons. Sister Clare Lennon supports these sisters with regular visits, calls, emails, texts and parcels. One of the care homes provides regular Mass and the others can access Mass online.

As all the members of the Congregation, except one, are now requiring some form of care, the trustees are giving careful consideration to the impact of this on the work of individual members of the Congregation, the charity's property requirements and the financial implications.

Continue the Charism of the Congregation

Due to the lack of numbers of women of all ages seeking to enter a life in religion, the Novitiate was reviewed and it was decided to close it down with immediate effect. It was agreed to continue the Charism of the Congregation by forming a group of Associates, primarily lay people. On 16 November 2019 the first meeting of the new Associates of Mater Ecclesiae was held at the convent in Street Ashton. The day was enhanced by the presence of Canon David Oakley, who gave a talk on Spiritual Motherhood. We now have a substantial group of people who are interested in becoming Associate members. Further meetings have been postponed for the time being due to the outbreak globally of Covid-19.

"I am pleased to be an associate as it gives a specific focus for my activities, within the Church especially. It is a privilege to join the Sisters and associates of Mater Ecclesiae in prayer for the Church, albeit from a distance. My hope is that through association I may become a better servant of Our Blessed Mother in order to better serve Our Lord. I am very thankful to the Sisters for making me so welcome." Helen Brooks.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Continue the Charism of the Congregation (continued)

On 1 May 2019 we had the great privilege of welcoming His Grace, Archbishop Longley, to our convent as principal celebrant at a Mass of thanksgiving. His Grace gave thanks for the presence of our Congregation in this Archdiocese during the past thirty seven years. Many friends also attended including former Parish priests, various priest friends and religious and those special persons who have been invaluable to us in so many ways over the years.

Hospitality and sharing the Congregation's environment

The charity until recently used to operate a retreat centre at its main property in Street Ashton. The retreat centre had a self-contained flat and six en-suite rooms within the centre itself. As the sisters have moved to nursing or residential homes during the last two years, the sisters stopped providing retreats in the year. The property has been utilised for impromptu visits from priests and laity. During the year, hospitality has also been afforded, within both the retreat and main convent building, for neighbours and parishioners wishing to maintain contact with the sisters.

Outreach: visiting and providing for those in need

The impact of the Congregation's work reaches beyond the convent especially now as the sisters, all bar one, are in residential or nursing care homes.

Sister Rosemary is a Eucharistic Minister on rota to bring Holy Communion to five Catholic residents in her care home.

She engages in several activities. Examples of these are:

- ◆ She welcomes new residents at her residential care home and spends time with those who are lonely and have little or no family to visit them.
- ◆ She collected and wrapped 70 Christmas gifts for the local Women's refuge.
- ◆ She accompanied a senior carer taking a group of residents to Galleywood Library to share reading activities with Year 5 pupils from the local school.
- ◆ She was invited by a senior manager to assist two Catholic residents to attend the Ash Wednesday service at the parish church.
- ◆ She has organised Taize prayer session for a small group of residents and carers, held prayer services for ecumenical groups and Catholic residents at the home and prepared Lenten leaflets for use by individual residents.
- ◆ She attends fortnightly ecumenical services in the care home, led by the local Anglican Church.
- ◆ She joined the Christian 'Walk of Witness' through Chelmsford Town on Good Friday and attended a Dementia Service at Chelmsford Cathedral.
- ◆ She joined the Chelmsford Parish Pilgrimage to Walsingham in July, attended the 'Forty Hours Exposition' in November and attended an initial Lenten Talk in March

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Outreach: visiting and providing for those in need (continued)

- ◆ She attended a visit to the Women's Refuge to assess needs prior to the COVID-19 outbreak which then ceased any further activity.

Sister Anne Therese writes to a prisoner and keeps up correspondence giving friendship and spiritual advice.

Sister Mary Thomas runs a weekly Prayer Group at her residential home, which is open to all faiths and none and finishes with tea and a singalong. She uses her craft skills to make cards for the birthdays of the care home workers and their families.

Sister Clare regularly visits the other sisters who are in residential care homes across the country, in addition to regular visits and supporting an elderly housebound and blind neighbour.

Frequent **prayer requests** are received by email or telephone message. These requests are received from people throughout the world and all walks of life. All requests are answered promptly and passed to Sister Clare to be included in the sisters' prayers.

The sisters support Parish activities at their various residences.

Donations to charities and those in need

In accordance with the Congregation's Constitutions (item 16 "the relief of material and spiritual needs to those to whom we minister"), and the spirit of our Foundress ("to emulate Mary by our maternal attitude of care and concern for anyone who requires our help") the Congregation makes donations to charities within these criteria and in line with the budgeted allowance.

Throughout the year, payments were made to charities including SPUC (Society for the Protection of Unborn Children), St Mary's Educational & Charitable Trust, The Medaille Trust, Mary's Meals, Hope4, Marian Fathers Charitable Trust, Cardinal Hume Centre, Franciscan Sisters of the Renewal, Jericho Society, Pastoral Care Project, Rachel's Vineyard, Air Ambulance Service, South Sudan via Sisters of Mercy, Norbertine Education Fund and to homeless people and Big Issue sellers around Rugby and Walsingham.

In addition, regular donations have been made to Walsingham Shrine and support has been given in the form of groceries to bake goods for the priests, cleaning materials and cleaning and washing services to the sacristy.

A one off donation was made to Giovanna Page to assist in the costs of her education and degree.

The intention for 20/2021 is to write a business plan to formalise the level of donations and the method of decision and approval for donations.

Specific objectives, activities and relevant policies (continued)

Ongoing formation and training

The sisters recognise the importance of ongoing formation and training to increase their knowledge, acquire new skills and develop their personal spirituality. Some examples are given below:

- ◆ Attendance at a talk on St John Henry Newman, given by Mgr. David Manson at Cathedral House, Brentwood
- ◆ Attendance at a talk 'Social Media for Religious' by Bernadette Lee at Street Ashton
- ◆ Attendance at SVP St Vincent de Paul charity meeting with a speaker from Head Office on 'Faith in Action'
- ◆ Silent Weekend Retreat at Sion Community, Brentwood, provided by Mgr. David Oakley

An Associates Group was formed and launched in November 2019. It was planned to have a further two meetings in the year but due to global circumstances this was not possible and Sister Clare has kept in touch with those who registered interest via email and telephone.

Review of use of facilities at the convent

When the sisters were in residence at the convent, a number of events were held at the main convent and the retreat centre. With the convent now unoccupied and with only one member of staff, the use of these facilities is made more difficult and the use has decreased significantly. Although the facilities have been used for ad hoc hospitality and retreat, as mentioned above, the cost of maintaining the buildings and land has been reviewed by the trustees and a financial projection was commissioned with a view to investigating the financial implications on the charity of either selling or maintaining the convent buildings and land.

These were reviewed and a decision has been made as to the most financially effective way forward to meet the charity's aims and objectives. It has been agreed to place the property on the market with a view to sale.

The charity had been renting a property in Walsingham for Sister Clare and in February 2020 the charity purchased a property as a permanent residence there for Sister Clare to continue her work with the Shrine and in the local community. This property will now form the base of the charity's work and will be offered for hospitality for religious, friends and those in need of retreat and quiet space.

Grants and donations policy

Whilst the trustees agree to support organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressure on supporters. The charity does not actively fundraise. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Specific objectives, activities and relevant policies (continued)

Protection of children and vulnerable adults

The trustees recognise the importance of ensuring the protection and safety of all those whom the Charity serves. All the sisters have obtained enhanced clearance from the Disclosure and Barring Service, and the trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS) and National Catholic Safeguarding Commission (NCSC).

Investment policy

The charity has discretionary investment management agreements with Brewin Dolphin Limited.

The trustees receive a report and valuation every three months and meet at least once a year with each of the investment managers. They ensure that the portfolio is managed in accordance with their written guidelines and with the religious and ethical principles of the charity.

The investment strategy takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term.

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

The trustees intend to review their arrangements for investment management over the coming year. The review will not only include performance from prospective managers but also a review of the ethical status of their funds in line with the charity's aims and objectives and religious standing.

The charity has a small number of properties which are rented out to tenants and which are regarded, therefore, as investment properties. The trustees receive regular professional advice in respect to the upkeep of these properties, the level of rent and on their valuation.

Covid-19

Since the end of the financial year, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

As all but one member of the Congregation are aged over 80, they have had to adhere to the stringent government advice issued on 23 March. This has meant that their normal apostolic activities have had to find new shape or cease altogether. As a result of the social distancing rules, whilst largely remaining in lockdown, the sisters have tried to find new ways of working and supporting each other and those with whom they work.

The sisters support each other in prayer and through electronic and other forms of communication.

Covid-19 (continued)

The charity's income will no doubt be affected because of the falls in the values of listed investments as global stock markets have reacted to the pandemic. In terms of our expenditure, we can foresee a rise in expenses due to rise in cost of living and nursing and care home costs. The trustees will continue to keep both income and expenditure under review.

Whilst Covid-19 presents the charity with a number of challenges, the trustees do not anticipate a serious impact on the charity's finances.

Financial review for the year

Results for the year

A summary of the year's results is set out on page 18 of the attached accounts.

During the year to 31 March 2020, income amounted to £267,866 (2019: £292,079). Of this, £91,989 (2019: £90,106) comprised donations including £91,979 (2019: £89,808) being the pensions receivable by members of the Congregation and donated to the charity under Gift Aid compliant Deeds of Covenant. Investment income totalled £175,877 (2019: £186,637) including rents receivable in respect to property of £2,080 in both years and the charity made a surplus on disposal of tangible fixed assets of £8,787 (2019: nil). During 2019 the charity received £6,549 from operating its retreat centre

During the year, the charity incurred expenditure of £764,543 (2019: £348,924). Expenditure on maintaining the members of the Congregation and enabling them to carry out their charitable work amounted to £348,711 (2019: £311,686). Donations paid during the year totalled £4,280 (2019: £8,800). Further details of donations are given in note 5 to the attached accounts. Expenditure for the year includes an impairment provision of £379,113 in respect to the Street Ashton property following the decision to reduce its net book value to the anticipated net proceeds.

The overall net expenditure for the year before losses and gain on investments amounted to £496,677 (£56,845). Net investment losses totalled £526,844 (2019 – net investment gains of £25,070) reflecting the fall in world stock markets at the end of March 2020 due to the Covid-19 pandemic. After accounting for the net investment losses (gains in 2018), the net decrease in funds for the year amounted to £1,023,521 (2019 – £31,775).

Financial position and reserves policy

The balance sheet shows total funds at 31 March 2020 of £6,884,571 (2019: £7,908,092).

Of this £1,944,096 (2019: £2,011,759) represents the net book value of the charity's tangible fixed assets and an equivalent amount has been designated as a tangible fixed assets fund in recognition of the fact that the assets are required for the charity's operations and are not available as a reserve to fund activities or meet future contingencies.

The trustees have set aside £3,500,000 in the current year to provide for the sisters' care in the future. The value of the fund has been calculated using actuarial principles to provide for the Congregation's sisters, but is not meant to guarantee sufficient resources. It is merely an estimate designed to recognise, and make provision for, the financial undertaking implicit in the relationship between a religious congregation and its members.

Financial review for the year (continued)

Financial position and reserves policy (continued)

The trustees have set aside £500,000 in the current year as a financing and congregational fund with the broad intention to use the fund to finance grants and donations. The trustees are yet to formalise their plans for the future and need to do further work on deciding exactly how these funds are to be applied. The trustees hope to designate further funds as the investment markets recover the losses made in the year due to the impact of the Covid-19 pandemic.

As the charity would find it difficult to dispose of its investment property due to restrictions associated with the tenancy agreement, the trustees have set aside the value of the property as an investment property fund, to demonstrate that these funds are not readily realisable to fund the day to day activities of the charity.

Funds which are available, therefore, to support the work of the sisters in the future are those shown on the balance sheet as general funds or "free reserves" and amount to £750,475 (2019: £5,896,333).

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to generate enough income to cover approximately thirty month's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

At the date of the balance sheet, the trustees consider that the level of free reserves were adequate but not excessive given the inherent volatility on world stock markets at the current time and given the discernment process being undertaken in respect to future property needs. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the Covid-19 pandemic.

Investment performance – listed investments

The performance of the portfolio and the charity's investment strategy have been reviewed by the trustees who have met regularly with the investment manager. The policy of the charity is to achieve a combination of income and capital growth within acceptable levels of risk. The trustees of the charity continue to take a long term view and believe the investment policy continues to be appropriate.

The charity had a portfolio of listed investments, which at 31 March 2020 had a market value of £4,413,737 including cash available for reinvestment of £80,097.

During the year, the charity's investments achieved an income yield of 3.75% and a negative capital yield of 11%. The performance of the portfolio reflected the condition of the markets generally throughout the period and specifically at 31 March 2020 as a result of the Pandemic. The investment managers continued to invest in accordance with the trustees' investment policy set out above. Further details of the investment portfolio are detailed in note 11 to the attached accounts.

The trustees continue to be satisfied with regard to the returns received from the charity's investment properties.

Future plans

The Congregation comprises, in the main, elderly sisters whose needs have increased such that they have had to move into residential care.

It became increasingly challenging to find suitable candidates to join and grow the Congregation and hence the decision was made to close the Novitiate. In addition, the retreat centre was also closed because of the decreasing number of sisters. As previously noted, the main property at Street Ashton is being marketed for sale and the trustees have recently accepted an offer from a prospective purchaser.

The trustees are united in their concern for the overall health and wellbeing of each of the members of the Congregation. They are equally concerned that the members be supported and encouraged to live to the full the Mission of the Congregation to which each one has professed.

Structure, governance and management

Governing document

In terms of Canon law the charity is governed by the Congregation's own constitutions.

In terms of Civil law, the charity was incorporated as a Charitable Incorporated Organisation (CIO) on 31 March 2017 and is governed by a constitution, as amended on 25 October 2018.

Trustees

The charity is the responsibility of its trustees which include Sister Clare Lennon who is currently the Mother General. The Mother General, by virtue of holding that office, is also the sole member of the CIO.

The charity's constitution requires that there must be at least three trustees. If the number falls below this minimum, the remaining trustees request the Mother General to appoint a new trustee. The maximum number of trustees that may be appointed to the CIO is five and for such time as it remains reasonably practical, the majority of those holding office as trustee at any time shall also be members of the Congregation.

The Mother is a trustee ex-officio for as long as she holds office as Mother General.

The trustees appoint further trustees, including people from outside the congregation, having regard to the skills, knowledge and experience needed for the effective administration of the charity. In addition to the Mother General, there is one other trustee who is a member of the Congregation, two trustees are members of other religious congregations, and one is a doctor, who has been closely associated with and has supported the Congregation for several years

The trustees are responsible for making all decisions regarding the charity's activities, properties and funds. There is no policy of delegation to other members. For advice concerning financial and legal matters, the charity calls on the expertise of suitably qualified professionals.

Structure, governance and management (continued)

Organisational structure

At the beginning of the financial year there were six finally professed sisters with five in residential care. Sister Clare Lennon ensures that she visits all the sisters in residential care on a regular basis and maintains telephone or electronic contact with them in order to ensure that they are supported and their needs are met in every aspect of their lives.

The Mother General liaises with the trustees and with the charity's Business Administrator to ensure that the day to day activities of the charity run smoothly.

Key management personnel

The trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees are responsible for making all decision regarding the charity's properties and funds. There is no policy of delegation to other members. For advice concerning financial and legal matters the charity calls on the expertise of professionals.

Two trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses. The trustees who are not members of the Congregation do not receive any remuneration but are reimbursed any expenses that they claim in relation to travel and similar costs associated with their role as trustees.

Statement of trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Structure, governance and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of charity's constitution. 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.

Liability of the member

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Congregation (and hence the CIO) currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The outbreak of the Covid-19 pandemic has clearly presented the charity with challenges which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity and the sisters.

We note above the financial and operational effects of Covid-19. Over and above these, the areas identified for particular attention within our risk management strategy are:

Governance and management: looks at the risk of the Congregation, and hence the CIO, suffering from a lack of direction, at the skills and training of its members, and the good use of its resources.

An analysis of the age profile of the sisters shows that the average age at 31 March 2020 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the sisters. None of the sisters have resources of their own as all earnings, pensions and any other income have been donated to the CIO under a Gift Aid compliant Deed of Covenant.

As stated above, the trustees meet regularly to monitor the life, mission and ministry of the sisters. A Business Manager is employed and meets regularly with the trustees.

The trustees are regularly assessing current social needs and seeking ways of offering assistance.

Operational: looks at the risks inherent in the activities of the charity, particularly care of the sisters and social and pastoral care.

Procedures are in place for staff and health and safety issues. Comprehensive insurance policies cover health and safety, equal opportunities, media safeguarding, dignity at work and termination of employment. There are disciplinary and grievance procedures in place.

Structure, governance and management (continued)

Risk management (continued)

Financial: looks at risks including those arising as a result of poor budgetary control, poor accounting and poor management of the investment portfolio.

The charity's principal asset comprises listed investments and its properties. The value of the listed investments are dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet with the investment managers regularly and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs both now and in the future.

During the current Covid-19 pandemic, we continue to communicate with our investment managers and, whilst there are concerns over the falls in world stock markets, we acknowledge also that we are long term investors. As such, the charity will be able to wait for markets to recover over time whilst we, as trustees, keep a watching brief.

The charity's properties include a property at Street Ashton, which as noted above is to be marketed for sale. The trustees will monitor the progress of the sale closely to ensure that they act quickly and responsibly, in the best interests of the charity.

Reputational: looks at possible damage to the Congregation's and hence the reputation of the charity.

Laws, regulations, external and environment: looks at the effect of government policies and the consequences of non-compliance with laws and regulations insofar as they are applicable to the Congregation's activities. When laws are applicable, care and consideration are given in implementing them. These include: health and safety, equality, data protection, human rights and safeguarding. The trustees attend workshops and conferences to keep up to date with their responsibilities.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Members and associates of the Congregation

The trustees wish to record their recognition of the professionalism and commitment of the individual members and Associates of the Congregation. Their dedication, enthusiasm and positive approach are very much appreciated.

Signed on behalf of the trustees:

Sr Clare Lennon

Trustee

Approved on: 28 January 2021

Independent auditor's report to the trustees of Mater Ecclesiae CIO

Opinion

We have audited the accounts of Mater Ecclesiae CIO (the charity) for the year ended 31 March 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Independent auditor's report Year to 31 March 2020

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

29 January 2021

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

Statement of financial activities Year to 31 March 2020

	Notes	2020 £	2019 (As restated) £
Income from:			
Donations and legacies	1	91,989	90,106
Investments and interest receivable	2	175,877	186,637
Charitable activities: Retreat centre		—	6,549
Other income – surplus on disposal of tangible fixed assets		—	8,787
Total income		267,866	292,079
Expenditure on:			
Cost of raising funds			
. Listed investments – investment manager's fees		29,259	27,069
. Investment properties – legal and professional costs		3,180	1,369
Charitable activities			
. Support of members of the Congregation and their ministry	3	348,711	311,686
. Impairment of freehold property	10	379,113	—
. Charitable donations	4	4,280	8,800
Total expenditure		764,543	348,924
Net expenditure for the year before investment (losses) gains	6	(496,677)	(56,845)
Net investment losses on investment properties		(5,390)	(168,644)
Net investment (losses) gains on listed investments		(521,454)	193,714
Net expenditure and net movement in funds		(1,023,521)	(31,775)
Reconciliation of funds:			
Funds brought forward at 1 April 2019 (as restated)		7,908,092	7,939,867
Funds carried forward at 31 March 2020		6,884,571	7,908,092

The statement of financial activities includes all recognised gains and losses recognised in the year.

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

All of the charity's funds were unrestricted in the above two financial periods.

Balance sheet 31 March 2020

	Notes	2020 £	2020 £	2019 (As restated) £	2019 (As restated) £
Fixed assets					
Tangible assets	10		1,944,096		2,011,759
Investments	11		4,413,737		4,979,426
			6,357,833		6,991,185
Current assets					
Debtors	13	37,286		35,575	
Short term deposits		409,956		481,085	
Cash at bank and in hand		93,892		415,083	
		541,134		931,743	
Creditors: amounts falling due within one year	14	(14,396)		(14,836)	
Net current assets			526,738		916,907
Total net assets			6,884,571		7,908,092
The funds of the charity					
Unrestricted funds					
. General funds			750,475		5,896,333
. Tangible fixed assets fund	15		1,944,096		2,011,759
. Designated funds					
.. Investment property fund	16	190,000		—	
.. Financing and congregational fund	17	500,000		—	
.. Sisters' care fund	18	3,500,000		—	
			4,190,000		—
			6,884,571		7,908,092

Approved by and signed
on behalf of the trustees by:

Sr Clare Lennon
Trustee

Approved by the trustees on: 28 January 2021

Statement of cash flows Year to 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(282,305)	(244,150)
Cash flows from investing activities:			
Investment income and interest received		180,820	180,679
Purchase of tangible fixed assets		(329,880)	(764)
Proceeds from disposal of tangible fixed assets		200	479,200
Proceeds from the disposal of investments		757,966	786,940
Purchase of investments		(680,688)	(688,120)
Net cash (used in) provided by investing activities		(71,582)	757,935
Change in cash and cash equivalents in the period		(353,887)	513,785
Cash and cash equivalents at 1 April 2019	B	937,832	424,047
Cash and cash equivalents at 31 March 2020	B	583,945	937,832

Notes to the statement of cash flows for the period to 31 March 2020

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(1,023,521)	(31,775)
Adjustments for:		
Depreciation charge (note 10)	17,946	8,403
Impairment of tangible fixed assets (note 10)	379,113	—
Losses (gains) on disposal of tangible fixed assets	284	(8,787)
(Losses) gains on investments	526,844	(25,070)
Investment income and interest receivable	(175,877)	(186,637)
(Increase) decrease in debtors	(6,654)	1,838
Decrease in creditors	(440)	(2,122)
Net cash used in operating activities	(282,305)	(244,150)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	93,892	415,083
Short term deposits	409,956	481,085
Cash held by investment managers	80,097	41,664
Total cash and cash equivalents	583,945	937,832

Principal accounting policies Year to 31 March 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year ended 31 March 2020 with comparative information provided in respect to the year to 31 March 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the probability of the receipt of legacy income;
- ◆ the assumptions applied in determining the valuation of investment properties;
- ◆ determining the value of designated funds including the determination of the assumptions made in determining the value of the retirement fund; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Principal accounting policies Year to 31 March 2020

Assessment of going concern (continued)

The full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still unknown. Since the end of the financial year, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of our control.

The charity's income will no doubt be affected because of the falls in the values of listed investments as stock markets have reacted to the pandemic. In terms of expenditure, it is anticipated that there will be a rise in living and care expenses. The trustees will continue to keep both income and expenditure under review.

With regard to the next accounting period, the year ending 31 March 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return, the performance of the investment market, and the price that is able to be achieved from the sale of the charity's property which is to be marketed. This is particularly relevant at the current time given the Covid-19 pandemic and its adverse impact on world stock markets and property markets (see the investment policy and the risk management sections of the trustees' report for more information).

Whilst Covid-19 presents the charity with a number of challenges, the trustees do not anticipate a serious impact on the charity's finances.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income and interest receivable and income from the provision of retreats which ceased in the year to 31 March 2019.

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

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Investment income is recognised once a dividend has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from the operation of the charity's retreat centre is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable excluding any relevant discounts.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

Expenditure recognition (continued)

- a. Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity and are in relation to the fees paid to investment managers in connection with the management of the charity's listed investments and professional fees in connection with the management and advice obtained in relation to the charity's investment property.
- b. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such expenditure comprises:
 - (i) Expenditure on the support of members of the Congregation. Such costs include direct and indirect expenditure in respect to the support of members of the Congregation and enabling their ministry (including support and governance costs)
 - (ii) Charitable grants and donations. Grants and donations relate, in the main, to the support of the support of other Roman Catholic charitable organisations and people who the trustees consider are in need. Charitable donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Donations are included in the statement of financial activities when approved for payment. Provision is made for donations approved but unpaid at the period end.
 - (iii) Impairment provisions set against the historical cost of assets.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure of the charity. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Principal accounting policies Year to 31 March 2020

Tangible fixed assets (continued)

◆ Freehold land and buildings (continued)

Specialised buildings comprise the Congregation's large residential convent and retreat centre. They are stated at cost net of impairment. An impairment review is carried out if events, or changes in circumstances, indicate that the carrying amount of these properties may not be recoverable. The freehold specialised building has been subject to an impairment review in the year as explained further in note 10 to these accounts.

◆ Non-specialised land and buildings

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

◆ Other tangible fixed assets, which include fixtures and fittings and motor vehicles are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Fixtures and fittings	25% per annum
Motor vehicles	25% per annum

The depreciation charges on some of the fixtures and fittings which are an integral part of the specialised building in the process of being sold have been accelerated to write off the assets to £nil value in the year to 31 March 2021.

Investments

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

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

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

Properties held for investment purposes are included in these accounts at open market value subject to any restrictions on the rental income receivable from the occupation of these properties. The valuation has been determined by the trustees, with professional assistance.

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

Principal accounting policies Year to 31 March 2020

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material. They have been discounted to the present value of the future cash receipt where material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

Restricted funds are monies raised for, and their used restricted to, a specific purpose, or donations subject to donor imposed conditions.

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

The investment property fund comprises the net book value of charity's investment property. As the property is occupied by a tenant with a life tenancy interest paying a controlled rent, the charity would have difficulty disposing of this property and the value represented by this asset should not be regarded as realisable with ease.

Other designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

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

Pensions

The charity offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

Notes to the accounts Year to 31 March 2020

1 Income from: Donations and legacies

	2020 £	2019 £
Salaries and pensions of individual religious received under deed of covenant and gift aid	91,979	89,808
General donations	10	298
	91,989	90,106

2 Income from: Investments and interest receivable

	2020 £	2019 (As restated) £
Investment Income		
<i>UK listed investments</i>		
Equities	66,687	Information is not readily available
Unitised funds	15,351	
Bonds	47,259	
<i>Overseas listed investments</i>		
Equities	3,245	
Unitised funds	31,014	
Bonds	5,509	
Interest receivable		
Cash held by investment managers	342	
Bank interest	4,390	
Income from investment property	2,080	2,080
	175,877	186,637

3 Expenditure on: Support of the members of the Congregation and their ministry

	2020 £	2019 £
Staff costs	30,179	51,711
Premises costs	46,482	35,610
Sisters' living and personal expenses	20,592	25,573
Nursing care and medical costs	209,157	119,667
Education, training and spiritual renewal	1,622	7,331
Motor and travel	14,336	15,013
Support costs (note 4)	26,343	56,781
	348,711	311,686

Notes to the accounts Year to 31 March 2020

4 Support costs

	2020 £	2019 £
Accountancy and bookkeeping fees	4,856	8,160
Governance costs:		
. Audit fee	6,900	7,200
. Legal and professional	8,531	35,069
Communication and IT	2,528	2,575
Office and miscellaneous costs	2,946	3,306
Loss on disposal of tangible fixed assets	284	—
Payments to trustees	298	471
	26,343	56,781

5 Expenditure on: Donations

	2020 £	2019 £
Sundry donations	4,674	8,800

Donations in the year to 31 March 2020 include one donation of £2,000 given to support an individual with further education. Donations in the year to 31 March 2019 included a donation of £1,000 given to one individual.

6 Net expenditure for the year before investment (losses) gains

This is stated after charging:

	2020 £	2019 £
Staff costs (note 7)	30,179	51,711
Auditor's remuneration		
. Statutory audit services	6,900	8,400
. Other services	2,400	6,960
Impairment of tangible fixed assets	379,113	—
Depreciation	17,946	8,403

7 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Wages and salaries	15,830	39,743
Employer contributions to pension plans	567	1,129
	16,397	40,872
Agency staff and subcontractors	13,782	10,839
	30,179	51,711

The average number of part-time employees during the period was 1 (2019: 4).

No employee earned more than £60,000 during the period (2019: none)

All staff are employed to support members of the Congregation and their ministry.

The trustees consider that they comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

8 Trustees' remuneration and expenses and related party transactions

Two trustees are members of the Congregation. As members of the Congregation, their living expenses during the period were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees or key management during the period. In addition, as members of the Congregation, these trustees do not have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the period, the total amount donated by the trustees to the charity was £17,651 (2019: £17,050).

One trustee received (2019 - two trustees) reimbursement of £298 (2019 - £471) towards their travel expenses in connection with their duties as trustees.

There were no other related party transactions (2019 – none).

9 Taxation

Mater Ecclesiae CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold land and buildings				Total £
	Specialised property £	Non- specialised property £	Furniture and equipment £	Motor vehicles £	
Cost					
At 1 April 2019	1,979,113	—	63,035	40,680	2,082,828
Additions	—	328,562	1,318	—	329,880
Disposals	—	—	(37,435)	(11,495)	(48,930)
At 31 March 2020	<u>1,979,113</u>	<u>328,562</u>	<u>26,918</u>	<u>29,185</u>	<u>2,363,778</u>
Depreciation and impairment					
At 1 April 2019	—	—	45,871	25,198	71,069
Disposals	—	—	(37,435)	(11,011)	(48,446)
Impairment provision	379,113	—	—	—	379,113
Depreciation charge for the year	—	—	11,164	6,782	17,946
At 31 March 2020	<u>379,113</u>	<u>—</u>	<u>19,600</u>	<u>20,969</u>	<u>419,682</u>
Net book values					
At 31 March 2020	<u>1,600,000</u>	<u>328,562</u>	<u>7,318</u>	<u>8,216</u>	<u>1,944,096</u>
At 31 March 2019	<u>1,979,113</u>	<u>—</u>	<u>17,164</u>	<u>15,482</u>	<u>2,011,759</u>

The specialised property included above is no longer required for the charity's purposes and the trustees have made a decision to dispose of it and it is currently being prepared for sale. An impairment provision has been made during the year to reduce the net book value of the property to its anticipated net proceeds.

11 Investments

	Investment properties £	Listed investments £	2020 £	Investment properties £	Listed investments £	2019 £
Market value at 1 April 2019	205,000	4,732,762	4,937,762	435,000	4,576,512	5,011,512
Additions at cost	—	680,688	680,688	—	688,120	688,120
Disposals at book value (see below)	(15,000)	(747,122)	(762,122)	(70,000)	(743,103)	(813,103)
Net unrealised (losses) gains	—	(522,688)	(522,688)	(160,000)	211,233	51,233
Market value at 31 March 2020	190,000	4,143,640	4,333,640	205,000	4,732,762	4,937,762
Cash held by investment managers for re-investment	—	80,097	80,097	—	41,664	41,664
	<u>190,000</u>	<u>4,223,737</u>	<u>4,413,737</u>	<u>205,000</u>	<u>4,774,426</u>	<u>4,979,426</u>
Cost of listed investments* at 31 March 2020	*	4,072,423	4,072,423	*	4,148,528	4,148,528

*The cost of the investment property is not readily available.

The information in relation to listed investments has been restated during the year as explained in note 12 below.

11 Investments (continued)

Disposals at book value included above comprise the following:

	Investment properties £	Listed investments £	2020 £	Investment properties £	Listed investments £	2019 £
Disposal proceeds	9,610	748,356	757,966	61,356	725,584	786,940
Losses (gains)	5,390	(1,234)	4,156	8,644	17,519	26,163
Disposals at book value	15,000	747,122	762,122	70,000	743,103	813,103

Total realised and unrealised gains were as follows:

	Investment properties £	Listed investments £	2020 £	Investment properties £	Listed investments £	2019 £
Net unrealised (losses) gains	—	(522,688)	(522,688)	(160,000)	211,233	51,233
Realised gains (losses)	(5,390)	1,234	(4,156)	(8,644)	(17,519)	(26,163)
Disposals at book value	(5,390)	(521,454)	(526,844)	(168,644)	193,714	25,070

Listed investments held at 31 March 2020 comprised the following:

	2020 £	2019 £
UK investments		
. Equities	1,065,951	1,378,702
. Unitised funds	456,452	425,693
. Bonds	1,108,598	1,266,849
Overseas listed investments		
. Equities	59,178	50,098
. Unitised funds	1,280,518	1,413,293
. Bonds	172,943	198,127
	4,143,640	4,732,762

Listed investments at 31 March 2020 included an investment in Vanguard US Equity Index Fund Institutional Plus GBP Income units of £218,278 (2019: £216,752) representing 5.42% (2019: 4.6%) of the value of the portfolio.

All listed investments were dealt in on a recognised stock exchange.

The investment properties were revalued in March 2016 by Mr J Boothroyd FRICS, Chartered Surveyors, on an open market value basis subject to occupation by a life tenant, and in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standards. In the year to 31 March 2019, on advice, the trustees reduced this valuation by £150,000 due to new conservation restrictions.

The trustees have considered the valuation at 31 March 2020, based on professional advice, and are of the opinion that the values remain appropriate and in accordance with the charity's policy.

12 Prior year adjustment

The charity's listed investments consist of certain fixed interest investments where the quoted year-end values include an allowance for accrued investment income. In prior years, this accrued income was included within investments rather than within debtors as investment income receivable. Hence, the value of listed investments was overstated by the accrued investment income and the debtor was understated by the same amount.

Investment income and the unrealised gains on investments were also understated and overstated by the same amounts respectively.

In addition, rental income from the investment property was disclosed as other income rather than being classified as investment income.

	Year to 31 March 2019				
	Income from investments and bank interest £	Net gains on investments in the year £	Value of investments at 31 March 2019 £	Debtors at 31 March 2019 £	Value of investments at 31 March 2018 £
As previously stated	183,370	194,901	4,750,281	18,056	4,592,844
Rental income reclassified as investment income	2,080	—	—	—	—
Adjustment at 31 March 2018	(16,332)	16,332	—	—	(16,332)
Adjustment at 31 March 2019	17,519	(17,519)	(17,519)	17,519	—
As restated	<u>186,637</u>	<u>193,714</u>	<u>4,732,762</u>	<u>35,575</u>	<u>4,576,512</u>
	(note 2)	(note 11)	(note 11)	(note 13)	(note 11)

Other adjustments

Certain presentational adjustments have been made to items of expenditure and income in the year to 31 December 2019. A surplus on disposal of tangible fixed assets of £8,787, which had been previously netted off against the charge for depreciation within expenditure, has been reclassified as income. As a result, both income and expenditure for the year to 31 March 2019 have been increased by £8,787.

13 Debtors

	2020 £	2019 (As restated) £
Accrued investment income	26,922	31,865
Prepayments	10,364	3,710
	<u>37,286</u>	<u>35,575</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	14,396	14,640
Social security and other taxes	—	101
Other creditors	—	95
	14,396	14,836

15 Tangible fixed assets fund

	2020 £	2019 £
At 1 April 2019	2,011,759	2,489,811
Net movement in year	(67,663)	(478,052)
At 31 March 2020	1,944,096	2,011,759

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

16 Investment property fund

	2020 £	2019 £
At 1 April 2019	—	—
Designated during the year	190,000	—
At 31 March 2020	190,000	—

The investment property fund represents the net book value of the charity's investment property. A decision was made to separate this fund from the general fund in recognition of the fact that the investment property can only be sold with difficulty due to a restrictive tenancy agreement. As such the value of the property should not be regarded as funds that would be realisable with ease by the charity to meet future contingencies.

17 Financing and Congregational fund

	2020 £	2019 £
At 1 April 2019	—	—
Designated during the year	500,000	—
At 31 March 2020	500,000	—

The Financing and Congregational fund has been established to finance future grants and donations. The trustees are yet to formalise their plans for the future and need to carry out further work on deciding how these funds are to be applied. The trustees hope to designate further funds as the investment markets recover the losses made in the year due to the impact of the Covid-19 pandemic are recouped.

18 Sisters' care fund

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds for a specific purpose.

	2020 £	2019 £
At 1 April 2019	—	—
Designated during the year	3,500,000	—
At 31 March 2020	3,500,000	—

The sisters' care fund has been established during the year by the charity's trustees to provide for the future costs of providing care for elderly sisters who have dedicated their working lives to the charity.

19 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	—	1,944,096	—	1,944,096
Investments	223,737	—	4,190,000	4,413,737
Net current assets	526,738	—	—	526,738
	750,475	1,944,096	4,190,000	6,884,571

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2020 £
Fund balances at 31 March 2019 are represented by:				
Tangible fixed assets	—	2,011,759	—	2,011,759
Investments	4,979,426	—	—	4,979,426
Net current assets	916,907	—	—	916,907
	5,896,333	2,011,759	—	7,908,092

19 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 March 2020 and movements on revaluation are as follows:

	Investment properties £	Listed investments £	2020 £	Investment properties £	Listed investments £	2019 £
Total unrealised gains at 31 March 2020 included above:	190,000	71,217	261,217	205,000	584,234	789,234
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 April 2019	205,000	584,234	789,234	435,000	228,370	663,370
In respect to disposals in year	(15,000)	9,671	(5,329)	(70,000)	143,444	73,444
Net gains (losses) arising on revaluation	—	(522,688)	(522,688)	(160,000)	212,420	52,420
Total unrealised gains at 31 March 2020	190,000	71,217	261,217	205,000	584,234	789,234

The charity's investment properties were acquired many years ago and precise figures for the historical cost of these properties are not available. However, it is known that the original purchase price of those properties was insignificant in today's terms. Hence the cost of these properties has been assumed to have been £nil.

20 Ultimate control and liability of the member

The charity is controlled by the Mother General who is the sole member of the CIO.

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.