

**Daughters of
Charity of St
Vincent de Paul
Charitable
Trust**

Annual Report and Accounts

31 December 2019

Charity Registration Numbers
236803 (England and Wales)
SC039155 (Scotland)

Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	4
Independent auditor's report	33

Accounts

Statement of financial activities	36
Balance sheet	38
Statement of cash flows	39
Principal accounting policies	41
Notes to the accounts	50

Reference and administrative details of the charity, its trustees and advisers

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Reference and administrative details of the charity, its trustees and advisers

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The Trustees present their statutory report together with the accounts of the Daughters of Charity of St Vincent de Paul Charitable Trust (the charity) for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 41 to 49 of the attached accounts and comply with the charity's trust deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of 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 Daughters of Charity of St Vincent de Paul (the Congregation) is an international Roman Catholic Religious Community of Women who have dedicated their lives to the service of poor, vulnerable and marginalised people. It was founded in France where its Generalate has its headquarters and is divided into a number of distinct Provinces in 91 countries, one being the British Province.

The charity is a charitable trust on which the assets of the Congregation in England, Wales and Scotland are held. The charity is governed by a trust deed dated 5 June 1964 and is registered under the Charities Act 2011 - Charity Registration No. 236803 (England and Wales). The charity is also a registered charity in Scotland, Charity Registration No. SC039155 (Scotland). During the year the wholly owned subsidiary company of the Daughters of Charity of St Vincent de Paul Charitable Trust, 1860 Limited (Company Registration No. 7258317 (England and Wales)), was closed and removed from the register of companies as it has been dormant for the last few years.

Mission

The object of the Daughters of Charity of St Vincent de Paul Charitable Trust, as set out in its governing document, is for '*such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction of the society.*' Thus, it supports the charitable and religious works carried out by the members of the British Province of the Congregation.

By caring for the members of the Congregation throughout their lives, the charity aims to enable and support the Sisters to live out their faith in the spirit of the founders, St Vincent de Paul and St Louise de Marillac, through the service of those most in need in society today.

The service or works of the Sisters of the Congregation are undertaken in the spirit of their founders, St Vincent de Paul and St Louise de Marillac who, in seventeenth century France, instilled into the first members of the Congregation the values of compassion, respect, love, forgiveness, justice and dignity.

Activities, achievements and performance

The Sisters serve people of all cultures, religions and creeds with particular emphasis on those who are vulnerable in any way or suffering from poverty and injustice. Their 'work' falls into the following five areas:

1. Worship and Prayer
2. Social and Pastoral Work
3. Projects and Services
4. Caring for Members of the Congregation
5. Overseas Missionary Work

1. WORSHIP AND PRAYER

Activities and specific objectives

"The apostolic action of the Daughters of Charity draws its strength from contemplation following the example of the Son of God who, intimately united with His Father, often went aside to pray." (Constitution C21a)

Each member of the Congregation is given every opportunity for daily private and communal prayer, times of worship and an annual eight day retreat for the development of her own personal understanding of and relationship with Jesus Christ.

Many opportunities are given to the wider community to join the Sisters during their times of prayer, as well as offering facilities for quiet times of reflection and/or study to people of all faiths and none. Throughout the Province, Sisters lead prayer services and offer spiritual guidance to people in their own homes, in hospitals, as well as in local parish churches. Opportunities to study and reflect on the life and spirit of the founders of the Congregation – St Vincent de Paul and St Louise de Marillac – as well as the constitutions of the Congregation, are organised each year. Workshops on the Vincentian spirit and values are also offered to all the various organisations (religious and lay) throughout Britain who share this spirit.

The spiritual development and on-going formation of the Sisters is thus given utmost importance, as this is the foundation of all their charitable works and every service they give to people, especially those who are poor.

The charity is committed to helping as many people as possible to join with the Sisters in living out the call of the Gospel to love God and thy neighbour.

Specific examples of this are as follows:

- Promoting the vision and values set out in the Gospel, including the promotion of human dignity and respect for all peoples and cultures, with special emphasis on those who are poor and vulnerable in our society.

1. WORSHIP AND PRAYER (continued)

Activities and specific objectives (continued)

- Having an open-door policy in many of our establishments, enabling people to come in and spend some quiet time in prayer and reflection.
- Leading short prayer services in the homes of those who are housebound and in residential care.
- Having a recognised office from where medals associated with Mary, the Mother of Jesus, are distributed to individuals and groups. This medal is known throughout the world as the 'Miraculous Medal'.
- Involvement in parish liturgies and celebration of the Sacraments especially with children and those wishing to become members of the Catholic Church.
- Providing opportunities for prayer and reflection for those who have been bereaved.
- Providing a daily structure of times for prayer and reflection as well as annual retreats for the members of the Congregation.
- Organising workshops and meetings on the spirit of the founders and the constitution of the Congregation.

The Sisters' personal and common life of prayer and their ever deepening understanding of the spirituality of St Vincent de Paul and St Louise de Marillac forms the bedrock from which stems all aspects of their service to people who are vulnerable.

2. SOCIAL AND PASTORAL WORK

Activities and specific objectives

Many members of the Congregation are involved in various forms of social or pastoral work throughout England, Wales and Scotland. This includes chaplaincy in hospitals, support of families and vulnerable children, especially those who are living in poverty, the befriending of elderly people, especially those living alone and in isolation, advocacy and practical help to asylum seekers, refugees and homeless people.

As the members of the Congregation devote their lives to serving people who are in need, many members are involved in various forms of social or pastoral work throughout England, Wales and Scotland in a voluntary capacity. The Mission Statement states:

'We choose to stand at "the cutting edge" with vulnerable and marginalised people and to open our eyes to the global issues of our world today.'

The following are examples of the activities undertaken by individual Sisters:

- **Hospital / hospice chaplaincy work** where Sisters aim to provide comfort and a listening ear to those who are ill and support to their families and hospital staff. They pray with and on behalf of those who are ill as well as giving Holy Communion to those who wish to receive it.

2. SOCIAL AND PASTORAL WORK (continued)

Activities and specific objectives (continued)

- **Visiting of vulnerable elderly people**, the object of which is to befriend, support and care practically for elderly people, especially those living alone and isolated in inner city areas.
- **Advocacy and assistance to asylum seekers and refugees**, the object of which is to support and to give a voice to those trying to survive in an alien culture, far from their homeland and family.
- **Working with people who are homeless**, the aim of which is to uphold their dignity and offer practical help, advice and rehabilitation.
- **Caring for people with disability**. Sisters provide pastoral care for people with a) visual impairment and b) learning disability. This care extends to the families and staff.
- **Parish work**, in which Sisters support local people, both young and elderly in a variety of ways, for example: spending time with those who are frail and lonely, bringing them Holy Communion and helping them to attend church services, and arranging social and catechetical activities for children.
- **Human trafficking awareness raising**, a new initiative in which four Sisters representing different geographical areas in the UK have become involved in small ways with local agencies working for the relief of victims of human trafficking. The Sisters also aim to heighten the awareness of the Province of the tragedy of this poverty which is sadly growing at an alarming rate in every town and city in the UK.

The objectives of the Trustees in this area include:

- To be faithful to the charism of the Congregation by offering service to those most in need in our society.
- To ensure that members of the Congregation receive appropriate training for the ministries in which they are involved.
- To be alert to needs as they appear and to respond when possible.
- To ensure, whenever possible, that Sisters are remunerated for their work by way of salary or stipend. Such income is given directly to the charity, ensuring that the work of the charity may continue into the future and develop.

Pastoral work in Hulme – a Sister's reflection of her work

'As a member of the DC Community at St Wilfrid's Hulme I have the privilege of serving the people of Salford through my ministry at Salford Cathedral. As Parish Sister my work is very varied. I visit the housebound bringing them Holy Communion enabling them to be in touch with their Parish and helping them in practical ways as they need.'

2. SOCIAL AND PASTORAL WORK (continued)

Pastoral work in Hulme – a Sister's reflection of her work (continued)

'I have lots of contact with the children and their families as I prepare the children for reception of the Sacraments. While this instruction is Parish based, I frequently and regularly visit in the Cathedral Primary School. I lead a children's prayer group and visit also in my official capacity as a School Governor. I see this as an important service to our local Community.

My contact with the young families is another important aspect of my Pastoral work. Sunday brings these families to the Cathedral and our coffee and social meeting after the Mass is an important contact time and often leads to me being able to render the families support and sometimes practical help. As an older person I am often seen as a wisdom figure and have been told how much the families appreciate my presence and the caring concern that they see me exercising.

I also have contact with younger people especially those seeking to join the church as I am in charge of the instruction given to them through the RCIA. My work for the Parishioners includes organising formation programs for the major seasons of the Church's year and this bring me into contact with a very wide age range.

Working in the Community of the Cathedral Parish gives many opportunities for supporting those who are less affluent and helping them to cope with lives beset with relational and monetary problems. The Parish has a large number of immigrants, refugees and asylum seekers with all the accompanying difficulties of settling into a new culture, learning the language and dealing with local authorities. I find myself consoling those who are frightened and pained by the unsympathetic approach of our system. This is added to all the pain and sometimes torturous events which have brought them here in the first place.'

Pastoral work in Cardiff

The Daughters of Charity have ministered in this part of Wales for almost 20 years in various services which have changed over the years to meet the needs of the people. We are three in the community. One Sister works in Supporting ASYLUM & REFUGEES. Another has a get together once a week for the elderly where they share in the Eucharist and a soup lunch together. They stay on once the lunch is finished and do various activities together: some like to just sit and chat; others like to pray together; or others do some craft work. Usually the craftwork is made to support our parish funds. Once a week the Sister goes to a drop in service in the Salvation Army for women called FAN (Friends and Neighbours). The women who attend are usually women for which English is not their first language. The Sister takes care of the children while their mothers learn English and to see them grow in confidence in speaking English is one of the joys of her week. Lastly, a retired teacher goes into the Parish School where she helps with reading and writing and also enjoys telling stories to the little ones. She is a Governor in two schools and prepares children for the sacraments. One of the long-standing ministries of the Daughters of Charity is Parish visiting, especially to the house bound, where we are Eucharistic Ministers and take them Holy Communion.



2. SOCIAL AND PASTORAL WORK (continued)

Response to human trafficking

The Sisters throughout the Province are all acutely aware of the suffering and desperation of countless men, women and children who are being trafficked and hold them all in prayer on a daily basis.

One Sister volunteers and teaches English to men freed from slavery, in a safe house in Manchester.

Another Sister belongs to a national and international group of religious communities working in various countries to alleviate the suffering of those caught up in trafficking.

Due to our limited capacity in being actively involved in this ministry, there is ongoing discussion among a group of Sisters in the Province with regard to focusing our attention on the prevention of people being trafficked. This would be with regard to non-documented people and failed asylum seekers who are extremely vulnerable and could so easily be lured into being trafficked. One Sister is very involved with this group of people in Cardiff and works tirelessly to assist them with housing and basic human rights.

Working in Cardiff with people who are seeking asylum

The Space4U Drop-in has had a very busy year with numbers of people attending each session reaching over 200 and averaging at 170. Throughout the year, approximately 55 volunteers have run the services including 20 who are themselves asylum seekers/refugees. They have provided a hot meal for up to 100, a clothes store and food store, a fresh food distribution service, a help desk, English classes, recreational activities, a coffee bar as well as craft activities and outings. Collaboration is always important to our services and we work closely with other organisations to try to find the most effective solutions. This year we also did some work with the Welsh National Opera in their Freedom Week as raising awareness amongst the public plays an important part of our work.

Home4U had a tough year when the four-bedroom house it had been using for the last six years was needed by the Catholic Diocese for another purpose. We were most grateful to the Diocese for their long support. This was the fifth property Home4U had used since 2007 when it began. All have come from very different sources. We began new negotiations, this time with a housing association, and in December our first two residents were able to move into a property. We are working closely to make sure this is a sustainable model. We continue to work with the National No Accommodation Network [Naccom] and in partnership with a small local hosting project we successfully got a grant and have employed a part-time development coordinator. This has been a most successful appointment and we have already begun to secure ongoing funding.



3. PROJECTS AND SERVICES

Activities and specific objectives



Marillac Care has developed a new brand logo and brand name that gives a truer description of what it does. Replacing Marillac Care with the Marillac Neurological Care Centre (MNCC) and an associated new brand has provided purchasers and proposed residents with the confidence that it is a specialist service not a generic home. This inspires confidence in the service and is reflected in the positive reception it received from residents, relatives, commissioners and staff.

Development of facilities

Over the course of the year, MNCC has invested in the fabric of the building modernising the units to remove the residential feel of the service. This has included renovating the units' kitchen areas. This has been well received by residents, relatives, commissioners and visitors. Residents' rooms have been redecorated and preventative maintenance has taken place throughout the Centre. MNCC has submitted a planning application for an emergency generator to Essex County Council. This will enhance the service and also allow the development of the services.



Development of services

MNCC has an outstanding reputation in the healthcare community and this is because of the nature of the service provision that is delivered. It is imperative, in order to maintain the position it holds with commissioners, that it does not stray far from the experience and skill base that it holds.

The acuity and complexity of referrals has increased and MNCC is drifting further from the residential care service that it once was. MNCC now has a complex care speciality within the Care environment. Our ALOS (average length of stay) is now measured in weeks. MNCC has identified new areas of commissioner interest and has established new markets. Traditionally MNCC has found that most of the referrals have been locality (Essex) based. MNCC has evolved into providing services further into London and has a growing market share.

3. PROJECTS AND SERVICES (continued)

Development of services (continued)

Commissioners now aim to use the MNCC service to enable people to resume their lives at home where possible. This is a roll out of the complete healthcare environment where enablement and resettlement at home is preferable to longer-term care within the care environment. This has, unfortunately meant that some longer-term residents have been moved by their funders to longer term, lower cost care. Although not driven by MNCC it has resulted in a higher base fee level than before. MNCC has a cohort of residents that are still longer-term care and hold associated lower rate fee bases. MNCC will be requesting purchasers move the rates to the current base fee rate to maintain equity of fees.

Quality of care

The service completes regular audits to ensure that the management of quality remains a focus for all of the staff who work at MNCC.



MNCC has consulted and received feedback from three main focused surveys, being residents, families and staff. There were similarities in findings with the majority of comments being positive and indicating that most people found the care and quality of care being good or above.

Due to the complexity of care, MNCC has been faced with a number of complex clinical issues. Subsequent to a whistleblowing allegation to the CQC, Essex Safeguarding requested that each service provider conducted reviews into all of the residents placed at the Marillac Neurological Care Centre. These reviews took place on all 52 residents and all 52 residents were assessed. There were no residents moved on the back of this. MNCC placed a voluntary embargo on admissions that it lifted once the safeguarding team were happy with the service.

Care Quality Commission (CQC) compliance and other inspections

There have been no quality inspections during 2019. MNCC retains the rating of "Good".

Environmental Health Services awarded the Centre a '5 star' rating earlier this year, maintaining MNCC status.

MNCC has always prided itself on the quality of its holistic services. From the frontline staff who are always stretched to the maximum, through to the massively underpraised Activity Team which regularly achieves 1,000 contacts per month. The superb Therapy Teams add to the quality, constantly enabling residents to maximise on their opportunities.

MNCC has been inspected by Essex Council Quality Improvement Team and has an overall Good rating.

MNCC always seeks to meet the needs of the resident, their families and the commissioners and is constantly reviewing its service provision in line with quality initiatives.

3. PROJECTS AND SERVICES (continued)

Vincentian Values training

All new staff receive training upon commencement on Vincentian Values which has been specifically requested by existing members of staff keen to ensure that the Values are ever present. This is coupled with prominent displays on Vincentian Saints on their feast days alongside appropriate opportunities to celebrate and reinforce a Values led service.

Pastoral care

Sister Catherine commenced her role as Pastoral Co-ordinator at MNCC in October 2015. She provides pastoral care to residents, their families and to members of the staff. She assists in times of need and celebrations. She co-ordinates responsibilities for initiating Vincentian Values sessions and is the Pastoral Lead working alongside senior members of staff in developing end of life care. She also attends and contributes to MNCC Heads of Department meetings. The role of Pastoral Care is often undervalued. MNCC has experienced the benefit of this, having an onsite presence has meant that relatives and residents have this facility available in times of need.



The way forward

MNCC has an outstanding relationship with the commissioners of its service. It constantly receives referrals and has consistently maintained a waiting list. MNCC has historically had a low turnover of residents and has been able to maintain a high level of occupancy. As explained in the previous sections, its referrals and throughput of residents has historically been slow and low. MNCC has experienced a change in commissioning structure and new commissioning roles that it has had to adapt to. This has placed greater emphasis on reducing length of stay.

MNCC has found that service commissioning varies with geographical regions. One commissioner has stated that they would like admissions of 2-12 weeks, another will happily commission for between 6-12 months. Although their commissioning tends to be target driven, different geographies have different pressures and MNCC responds to them equally.

The challenge for MNCC is to ensure that it maintains its high value with the commissioning teams in the locality and that it extends its reach into new areas and diversifies slightly or operates on a larger scale should the need arise. MNCC has mentioned the diversification in terms of geographical spread, and its aim is to improve this further. MNCC is attending more trade fairs, more selling platforms and more conferences. This will put MNCC in contact with new customers.

Since the year end the Trustees have agreed that the activities of Marillac Neurological Care Centre will be transferred to a new independent charitable company with effect from 31 March 2021 together with certain assets and liabilities integral to the work of the Centre. The new independent charitable company will be a subsidiary of The Daughters of Charity of St Vincent de Paul Services (DCSVP Services) (Charity Registration Number 1149326, Company Registration No. 07638065).

4. CARING FOR MEMBERS OF THE CONGREGATION

Activities and specific objectives

As the average age of the Sisters increases, the need to provide residential care and support at home for our elderly Sisters grows each year. Thus several Sisters are involved directly or indirectly in this Ministry and much attention is given to the provision of high quality accommodation. The Sisters operate three residential care homes for their own Sisters, each with its own registered manager and full complement of staff. Some lay people have also taken advantage of a few weeks or months of respite care as well as a few having a permanent placement in one of these homes.

The Sisters also have a few properties which have been renovated to provide suitable accommodation for elderly Sisters who do not require immediate residential care but whose mobility is compromised due to age or ill health.

The objectives of the Trustees in this area include:

- To ensure that all elderly members of the Congregation receive a high level of care in every aspect of their lives.
- To enable all members of the Congregation to continue in local houses and ministries for as long as possible.
- To review all local community houses to assess their suitability as homes for elderly or frail Sisters.
- To provide adaptations and aids when deemed necessary.

St Vincent's Home

St Vincent's remains a warm and inviting place to be, filled with laughter, conversation and a definite feeling of belonging. The weeks pass very quickly, always filled with activities, trips out and lots of celebrations and events that all work around the spiritual needs of the Sisters.

It is with a sad heart that we had to say goodbye to three Sisters in the last year, all had a very fine send off and as usual St Vincent's hosted this in style.

The staff team has remained very stable with morale and loyalty remarkably high. The dedication and commitment they show to the Sisters is above and beyond expectation. The Sisters express their gratitude daily, it is clear to see they hold a genuine love for the staff, enhancing the family atmosphere, which is vital in creating the special place it has become.



4. CARING FOR MEMBERS OF THE CONGREGATION (continued)

St Vincent's Home (continued)

Over the last year we have worked through an improvement programme which has given all the Sisters' rooms an ensuite facility. This has proved to be valuable and enhanced privacy and dignity for everyone.



Future plans include a garden refurbishment with improved accessibility to encourage frequent use and a memory café on the second floor. We are constantly looking at new and improved ideas to help the Sisters maintain both their physical and emotional well-being.

St Catherine's

St Catherine's is the oldest of our care facilities, it has had several upgrades over the years and provides a spacious and pleasant environment in which to live and work. Thanks to our excellent staff and care managers St Catherine's has maintained the highest standard of care from the Care Inspectorate.

The Sisters have a very focussed life of prayer but enjoy celebrations of every sort and this year we have celebrated 50th, 60th and 70th Jubilee celebrations. It was with great sadness that we said goodbye to three of our Sisters, and although we firmly believe that they are now enjoying eternal life their absence leaves us with heavy hearts.

The Sisters are totally immersed in the local parish. One Sister still enjoys being a member of the choir, another Sister helps in the sacristy and all members of the community attend daily Mass. Lanark and the surrounding area of Clyde Valley have many garden centres and places to visit, which the Sisters visit regularly and enjoy a bit of shopping and afternoon tea.

During the year many of the parishioners joined us for special morning coffees to celebrate the Feast of St Vincent, St Louise and St Catherine. This is always a lively time with lots of chatter and stories to tell. In November, on the feast of St Catherine Laboure, one of the parishioners came along with her harp and guitar and entertained the Sisters and led us in a sing song of Scottish favourites.



9,000 plus Miraculous Medals were ordered by different individuals and groups for distribution in Scotland. These were all threaded and packed by the Sisters making a great contribution to the mission of prayer.

A new addition to the timetable were the keep fit sessions 'arm chair' exercises enjoyed by all. We also started film afternoons and the 'usherette' brought in the ice creams.

Life is gentle and the steady rhythm of life gives an easy balance of prayer and activity.

4. CARING FOR MEMBERS OF THE CONGREGATION (continued)

Seton Care

Seton Sisters continue to welcome all who come to the home. It is home to eight elderly ladies, seven of which are Daughters of Charity. The home has many activities for the Sisters, but generally the focus of the community is their life of prayer. The staff offer care and support whilst encouraging independence. One of the latest additions to the home is a large fish tank. Just watching the fish is very soothing, one Sister feeds the fish at the same time every day and they seem to respond to her voice!

As well as the spiritual needs of the Sisters the home encourages all residents to take part in many activities, including gardening, cooking and activities which take place in The Street (Downstairs in the Marillac Neurological Care Centre). Singing sessions are enjoyed more than any other activity. Children from the local secondary school visit each Friday to listen to the Sisters' stories and they in turn enjoy the company of young people.

The Sisters are always eager to take part in any fundraising opportunities, and in the past they have raised money by baking cakes and knitting scarves. In October the Sisters and staff of Seton took part in the 1 million sponsored steps activity. Each person wore a step counter and had their steps totalled at the end of each day; October was a very wet month so most of the steps took place around the house. However, by the end of October they had achieved 1,919,208 steps. The money raised went to Space4U, which is a project in Cardiff for homeless refugees.

The Home continues to strive to improve its services. Training and supervision is ongoing and staff are encouraged to take part in training and expand their knowledge. The Home has a Good rating with CQC.

As the seasons change so too the activity. At Christmas time a few Sisters with our volunteers spent time making Christmas cards. At Easter /Spring time, a small incubator of hens eggs was brought in and bit by bit the Sisters were able to see the eggs hatch and they cared for the chicks for a few days – very cute!

Although there are many activities, the Sisters feel that in this age and phase of life that the real focus of their ministry is in prayer. They are a powerhouse of prayer for all who ask for it and they value their community time together. The Sisters' lives are assisted and enhanced by the dedicated staff team who offer a discreet, friendly and professional service and the Sisters are so grateful to them.

Covid-19

Covid-19 has had a massive impact on all of the care homes. The staff have many uncertainties both at work and in their personal lives. Staff are doing all they can to reassure everyone and to provide a safe environment to live and work in. The staff are very aware that there are difficult times ahead and have all said they will do everything they can to support and maintain the care of the Sisters.

5. OVERSEAS MISSIONARY WORK

The Community of Daughters of Charity was established in Ethiopia in 1927. At present, the Community has 14 branches in five regional states and seven dioceses. Its mission is to develop the potential of those served and to alleviate poverty through their participation, regardless of their religious beliefs and ethnic background.

The works of the Province of Ethiopia mainly include education; health care; women in Development Programs; home based care for the sick and the elderly; support to persons with disability and refugees; assistance to prisoners through outreach; prevention of human trafficking in persons and rehabilitant of the same; pastoral work in Parishes and support to the youth and children in difficult situations. Moreover, as Daughters of Charity we have a duty to respond to any new forms of poverty and emergency calls.

1. **Education** - We are convinced that empowering children and young persons with education is a key factor to self-reliance and poverty eradication. Therefore, a lot of emphasis and attention is given to creating access to, and opportunities for, education of the people served, especially the poor. The type and levels of educational services provided include: kindergarten schools, primary and junior level, secondary level, Montessori teachers' training, persons with special needs, running skills training institutes and centres, sponsorship programmes for students from elementary to tertiary level education.



2019 KG Graduation - Bahir Dar

2. **Health Care** - We are aware that healthcare is a crucial service for the wellbeing and productivity of the community, especially for those who cannot afford to pay and get the service. For this reason, the Sisters run six health care providing institutions with preferential options for those who are poor. The health care institutions which we run include: Alitena Health Care, Mekelle Eye Clinic, St Mary's Free Standing Testing and Counselling Centre, Alecu General Clinic, Danka Poly Clinic and Abba Philipos Eye Clinic. The total number of direct beneficiaries served during 2019 through these health care giving institutions was 277,738 persons. These health care institutions strive to provide quality preventive and curative health care services. This figure does not include the indirect beneficiaries. The preventive measures include health education - creating awareness for prevention of different diseases, personal hygiene, care for the environment, nutrition, child care and counselling whenever it is necessary. Most of our health care centres are situated in the remotest areas / peripheries of the country in order to meet the needs of the most neglected and marginalised persons.

5. OVERSEAS MISSIONARY WORK (continued)

3. **Community Development and Social Support Services** - the Daughters of Charity also give a lot of emphasis on community development and social services. These services include skills training; housing and house rent support, financial support to start income generating activities and financial support to needy persons to meet their basic needs. 19,497 people were helped through different community development and social support services. The beneficiaries include: children, women - especially single mothers, victims of human trafficking or domestic violence, elderly persons and persons with disabilities, etc.

Impact of the work in Ethiopia:

- The total number of the beneficiaries in the educational service in 2019 was 8,375 persons. In addition to giving quality education, assistance with school fees; school materials such as: exercise books, school bags, pens and pencils, books and uniforms; food and medication were given thanks to the donations received through the Daughters of Charity, Province of Great Britain.
- As a result, maternal and child mortality has decreased, preventable blindness and low vision has reduced, and the number of school dropouts as a result of vision problems reduced. The awareness of the people towards prevention of different kinds of disease and personal hygiene and the need to protect their environment has also relatively improved. The food nutrition has been a very important contribution towards the wellbeing and healthy growth of hundreds of children. It has reduced child drop out of school due to hunger, increased concentration in school and it reduces the burden of the families.
- Over 90% of the beneficiaries make good progress in becoming self-reliant after the support services, becoming responsible and productive citizens. They help themselves, their families and others who may need their assistance.
- Increased self-esteem and self-worth: every human being has inherent dignity and worth. Nevertheless, the dignity and self-worth of people at the peripheries of society get destroyed by poverty and destitution. The donation received has immensely helped to keep or restore this inherent dignity for those served through the services of the Daughters of Charity.



St Gabriel Kindergarten

Project goal - Supporting students who come from poor family backgrounds by providing a feeding program to attend their pre-school education.

Project objectives - Feeding 58 poor children at breakfast and lunch times from Monday to Friday, for the kids to pursue their studies well. This set objective was achieved as it was planned and the children completed classes successfully. 11 of them have graduated and will continue grade one in the governmental school.

LOOKING AHEAD TO 2020

Marillac Neurological Care Centre (MNCC)

It is anticipated that Marillac Neurological Care Centre will become an independent charitable company with effect from midnight on 31 March 2021. This is to secure its long term future as a subsidiary of the Daughters of Charity of St Vincent de Paul Services (Charity Registration Number 1149326: Company Registration Number 07638065 (England and Wales)), along with five other charities founded by the Daughters of Charity of St Vincent de Paul Charitable Trust.

Future works will be established as independent from the outset and fall within the remit of the Daughters of Charity of St Vincent de Paul Services. However, initial investment and start-up of such initiatives will be from the Charitable Trust. There are several possibilities in the pipeline.

Programme of strengthening mission

The Trustees of the Charitable Trust have a two-year programme of renewing and strengthening the mission of the Sisters described in this report. Falling numbers joining has given rise to the need to maximise the potential and impact of the activities of the Sisters by streamlining and building up mission centres and closing down more peripheral activities.

Each property owned by the charity has been assessed for its suitability to meet the needs of the older group of Sisters. However, it is anticipated that, due to good stewardship and forward thinking in the past, very little refurbishment will be necessary and no purchase of premises is anticipated for this purpose.

Covid-19

The new coronavirus (Covid-19) has spread to nearly every country in the world since it first emerged in China at the beginning of 2020. The pandemic has made an impact on every aspect of social and economic life. Accordingly, the British Prime Minister Boris Johnson made an unprecedented address to the nation at 8.30pm on 23 March 2020, announcing that new measures were being introduced to put the UK in a state of lockdown. At the time of writing this report, the country is still emerging from this lockdown and facing significant challenges as a result of Covid-19. The future of not only the British economy but also the global economy is uncertain. These events have impacted on the charity in a number of ways including the following:

- Staffing – at one stage 11.6% of the workforce was furloughed and a small number of staff were working at home. The remainder of the workforce i.e. staff working in our care establishments have been regarded as essential staff looking after our elderly Sisters and service users at MNCC.
- Investments – the value of the investment portfolio decreased substantially in March 2020 but has recovered its value since that date. The volatility in world stock markets is of concern to the Trustees. Although the charity is a long term investor, it is dependent upon its investment income which is expected to be impacted negatively due to such volatility and by the recession resulting from the Covid-19 pandemic. See also the risk management section of this report.
- Donations – donations for the missions have all but dried up., Although the charity has regular donors to the missions, it is hard to see how we can generate extra funds at this time.

LOOKING AHEAD TO 2020 (continued)

Covid-19 (continued)

- Activities of the Sisters – the enforced lockdown meant that the Sisters social and pastoral work had to evolve with less direct contact and more communication with those needing help via telephone and other digital means.

The charity as a whole is weathering this pandemic and its effects well. Keeping the Sisters and staff safe is our main priority, at the same time as keeping business as usual for most aspects of the charity. Whilst there will be challenges ahead, the Trustees believe the charity will be able to respond to these and that it has the financial resources to do so.

GRANTS AND DONATIONS

Grants, donations and other payments in support of missionary work and ministry are decided on by the Trustees in consultation with other members of the Congregation as appropriate. In the main, the charity supports the work of the Congregation in overseas countries where there is the most need. Whilst the Trustees give occasional support to English, Scottish and Welsh 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.

INVESTMENTS

Policy - listed investments

The charity has a portfolio of listed investments with a market value of approximately £30.9 million.

In March 2019, the Trustees appointed Sarasin & Partners LLP as the charity's sole investment managers. This decision was taken following a detailed review assisted by professional investment advisers.

There are no restrictions on the charity's power to invest.

Investment Objectives

The charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective for the long-term portfolios of the General and Ethiopian Funds is to generate a return of 3.5% in excess of inflation, as measured by the UK Consumer Price Index (CPI), over rolling 5 year periods, in order to protect the real value of the investment portfolio so that it can fund the future activities of the charity. In this context, long-term is taken to be five years plus. This level of growth ought to allow for income to be withdrawn, whilst allowing for the capital value to keep pace with inflation, after deduction of the investment manager's fees.

The establishment of a General Fund medium term portfolio is under consideration and would be a separate 'pot' of money which might be expected to be withdrawn over the next 5-10 years, in order to meet the current operational deficit requirement of c.£2m or 7.1% per annum.

INVESTMENTS (continued)

Policy - listed investments (continued)

Ethical Policy

The policy is required to reflect the following concerns and to exclude direct, and where possible indirect, exposure to:

- any company earning more than 10% of their turnover from sale or production of alcohol, armaments, gambling or pornography;
- any company involved in the production of tobacco;
- any company involved in the production of single-purpose abortifacients, contraceptives, or engaged with scientific research on human foetuses.

The Trustees also wish the investment manager to be sensitive to the ethics and religious principles of the Trustees and to try to avoid any investments in contravention of these and to highlight areas of potential sensitivity. Particular concern is attached to issues related to the protection of human life and human rights, as well as discrimination against any sectors of society and the company's overall environmental impact. The Trustees expect the managers to apply Environmental, Social and Governance (ESG) criteria when selecting investments.

Management, Reporting and Monitoring

The Trustees have appointed Sarasin & Partners LLP to manage the investments on a fully discretionary management agreement in line with this investment policy.

The Trustees have appointed an Investment Committee, which includes both Trustees and the Director of Finance, which has responsibility for agreeing strategy and monitoring the investment assets. The investment manager will provide the following information on a quarterly basis: valuation of the investments, transaction report, cash reconciliation, performance analysis and commentary for this Committee to review. Once a year (at a minimum) the investment manager will be required to present in person to the Investment Committee. The Committee will review the information provided by the manager. Their recommendations are required to be ratified by the Trustees.

Policy - investment land

The charity has owned and occupied land at Lanark, Scotland since 1949 and for many years the Sisters operated a hospital on the site. Since the closure of the hospital, the charity has been exploring how best to utilise the land for the benefit of its charitable objects. Initially, this involved discussions with a property developer about a disposal of the land for residential property development. Unfortunately, the collapse of the housing market and the severe financing restrictions since 2008 have prevented a disposal for this purpose.

The land continues to be owned with a view to disposal. As a consequence, in the accounts, the land is classified as investment land. It is the intention of the Trustees of the charity to continue to seek buyers for this land and hence to maximise its value to the charity.

Investment performance

During the year the charity's listed investments achieved an income yield of 3.09% (2018 - 2.99%). The investments increased in value and the capital yield for the year was 7.73% (2018 - decrease 6.81%). Throughout the year the Trustees have continued to liaise closely with the charity's investment advisers and seek their advice.

FINANCIAL REPORT FOR THE YEAR

A summary of the results for the year can be found on page 36 of the attached accounts.

Income for the year to 31 December 2019 totalled £9.09 million compared to £9.60 million in 2018. This decrease in income is mainly due to legacy income of £354,480 (2018 - £864,061). There was also a decrease in income from listed investments. This fall in income was expected following the change in investment policy. As the charity's investments are now on a total return approach, income has been sacrificed for capital growth.

Expenditure has increased from £10.46 million in 2018 to £11.16 million in 2019. Staff costs have increased by £522,796 mainly as a result of providing residential care and support services. Expenditure in all other areas has been tightly controlled during the year.

Reserves policy

The Trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the charity's work, the charity's continuing commitment to residential and nursing care, the need to care for members of the Congregation and to respond to unforeseen emergencies, the level of free reserves should at least be equivalent to between six and twelve months' expenditure. The Trustees are of the opinion that this provides sufficient flexibility to cover shortfalls in income, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its residential and care work and to members of the Congregation, and will enable the charity to cope and respond to unforeseen emergencies.

Financial position

The balance sheet shows total reserves of £55.6 million (2018 - £54.5 million).

Of this, £11.8 million (2018 - £13.3 million) is represented by tangible fixed assets used for the support of the Sisters and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund value cannot, therefore, be realised easily if needed to meet future contingencies.

The programme related investments fund amounts to £1,322,423 (2018 - £682,003). Five of the charity's properties continue to be used by St Joseph's Services, a separately registered charitable company. One is a small residential care home, with the other four being houses of multiple occupancy for people with learning disabilities. The property used as the head office was sold by the charity to St Joseph's Services during the year.

A further property is used by The Louise Project Limited (formerly known as The Space), now a separately registered charitable company, for its head office and a drop in centre.

Funds of £22.5 million (2018 - £22.9 million) have been set aside in the Sisters' care and retirement fund to provide for the Sisters' holistic needs going into the future.

FINANCIAL REPORT FOR THE YEAR (continued)

Financial position (continued)

The value of the fund has been calculated based on actuarial principles to provide for each of the Province's 112 Sisters. Given the increasing age profile of the Sisters and the lack of new vocations, this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

Funds of £5.64 million (2018 - £6.32 million) represent the accumulated net income of Marillac Neurological Care Centre (including tangible fixed assets of £4.9 million (2018 - £5.3 million), which has been designated by the Trustees for use by Marillac Neurological Care Centre only.

A further £2 million (2018 - £2 million) has been set aside towards the costs of developing new initiatives and those projects newly established, as well as enhancing the properties used by the charity.

Finally, £2 million (2018 - £1.7 million) has been designated for use on specific projects by the Trustees. It is intended that such projects should principally be concerned with the missionary work of the Sisters overseas.

The endowment funds amounting to £448,991 (2018 - £448,991) comprise the Salisbury Fund, established in 1871 by a deed of trust when several properties located in Salisbury were gifted to the Congregation, and the Wigmore Street Trust Fund established in 1965. Administration of this latter fund was transferred to the charity during the year ended 31 December 2006 from the Westminster Roman Catholic Diocesan Trust.

Restricted funds comprising monies given specifically for overseas missionary work totalled £413,927 (2018 - £359,388) at the end of the year. Other small restricted funds totalled £23,885 (2018 - £29,055).

Funds available to support the work of the Sisters in the future are shown as general funds on the balance sheet and amount to £9.4 million (2018 - £6.7 million). This figure needs to be considered in the light of annual expenditure of £11.2 million and the need to meet the challenges posed by the Covid-19 pandemic and its aftermath. The Trustees consider the charity's free reserves to be adequate but not excessive.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The British Province is governed by the Sister Provincial and four Sisters who form the Provincial Council. All are appointed by the Superioress General and General Council in Paris and are accountable to them. The Provincial and Council members are appointed for a period of six years, renewable for a further three-year period if required.

The Trustees are members of the community and are chosen for their personal qualities, their understanding and experience of the works and ministries of the Province and to ensure a varied skills mix.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

At present, the Provincial Secretary, together with the Provincial and Provincial Council members, form the Board of Trustees. The Sister Provincial is always the Chair of Trustees by virtue of her office and she in turn appoints the other Trustees, of which there can be up to seven.

The Trustees are responsible for the policies, activities and assets of the charity and for compliance with regulations and legislation including the Charities Act. The Trustees meet monthly to review developments with regard to the charity, its activities and assets, and to make important decisions. Training continues to be provided for the Trustees in order that they are fully updated with current legislation.

The Trustees are incorporated under the provisions of Section 251 of the Charities Act 2011 as "The Incorporated Trustees of the Daughters of Charity of St Vincent de Paul".

The names of the Trustees who served during the year up until the date on which this report was approved are set out as part of the reference and administrative details on page 1 of this annual report and consolidated accounts and brief biographical details on each of the Trustees is given below:

Sister Moira Bain

Sister Moira Bain entered the Daughters of Charity of St Vincent de Paul in 1968. Her early ministry was child care and she worked in various residential school settings and children's homes. A short period of three years was spent in Romania overseeing five children's homes for children who were HIV positive. She also has experience in Parish ministry and trained in Pastoral Leadership. She was instrumental in setting up and managing an organisation offering pastoral care to families of prisoners.

Sister Ellen Flynn

Sister Ellen Flynn has been a member of the Daughters of Charity of St Vincent de Paul since 1972, and formerly worked as the CEO of The Passage for nine years, helping homeless people in Central London. During that time she developed skills in charity management, governance, fundraising and project development as well as networking across London in all sectors of business and society. Prior to this, Sister Ellen has a background in education, initially working with disadvantaged young people in inner city schools, and later in adult formation including group facilitation, liturgy, music and management with the Christian Church. Sister Ellen was named Provincial of the Province of Great Britain in September 2015.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Sister Kathleen Fox

Sister Kathleen Fox has been a member of the Daughters of Charity of St Vincent de Paul for over 40 years. She trained as a nurse for people with learning disabilities, and then as a general nurse. She worked for many years in St Joseph's, Rosewell and, with the introduction of the Community Care Act in 1992, was part of the team in the re-provisioning of the Service. She completed further training and holds degrees in Advanced Nursing and Healthcare Chaplaincy. Sister Kathleen also worked for a number of years in a hospice and has trained in palliative care.

Sister Kay Harte

Sister Kay Harte entered the Daughters of Charity of St Vincent de Paul in 1967 and is currently working in the offices as secretary to the Provincial. After training as a rehabilitation worker for the visually impaired and interpreter for deaf/blind people, she worked in managerial positions in Glasgow and Liverpool. Prior to moving to Provincial House, she was manager of a community care home for elderly Sisters.

Sister Kathleen Kennedy

Sister Kathleen Kennedy entered the Daughters of Charity of St Vincent de Paul in 1966. She worked in residential child care for fourteen years after which she ran a pre-school group in a primary school setting. She qualified as a teacher with Bachelor of Arts with Qualified Teacher Status (BAQTS) and taught in an inner city primary school for sixteen years. She worked as part of a city wide Evangelisation team in Hull before being appointed to the Provincial Council.

Sister Theresa Tighe

Sister Theresa Tighe has been a member of the Daughters of Charity of St Vincent de Paul for many years. Her training is in youth and community work and in pursuing that she provides a short counselling course as a way of supporting young people. Most of her experience has involved working with young people with disabilities and their families. She has also engaged with children and families through parish ministry.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the 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 and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and expenditure of the group for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

- make judgments 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's 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.

Structure and management reporting

Five professional advisers ably support the Trustees, meeting together twice a year. The solicitors, accountant and surveyors who comprise the Advisory Board are always available for advice and guidance and especially prior to the making of any major decision.

The British Province comprises 112 Sisters, in 20 houses, of which 15 are situated in England, four in Scotland and one in Wales. These local communities are mostly situated in areas of towns and cities where it is believed that the Sisters can provide the greatest help to deprived and marginalised people. The Mission Statement states:

'We choose to stand at "the cutting edge" with vulnerable and marginalised people and to open our eyes to the global issues of our world today.'

Each of the local communities has a local Superior, appointed by the Provincial. She is responsible, with her Sisters in the community, for the services offered in the local area, for the financial management of the house, the upkeep of the property and the wellbeing of the Sisters. She is accountable to, and supported by, the Provincial and her Council, with whom there is regular communication and meetings. She submits her accounts monthly and budget annually to the Provincial Bursar, who in turn draws up a three-year financial forecast for the Province, thus establishing a sound base for current and future planning.

Key management

The Trustees consider that they, together with the Finance and Business Director, the Care Home Managers, and the executive team of Marillac Neurological Care Centre, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All 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 in connection with their duties as trustees or key management.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and Management Reporting (continued)

Key management (continued)

The pay of the Finance and Business Director and the three Registered Care Home Managers is reviewed annually by the Trustees. The pay of the executive team of Marillac Neurological Care Centre is reviewed annually by the Centre's Advisory Committee which makes recommendations to the Trustees who then consider whether or not to approve the proposal.

Pay is normally increased in accordance with average earnings. In view of the nature of operations of the care home and the national shortage of qualified nurses and care staff, the Trustees benchmark pay rates at Marillac Neurological Care Centre against pay levels in other similar charitable care homes and the National Health Service. The remuneration benchmarks used for all key management are based on published pay grades for nursing, care and administrative staff but take into account additional responsibilities to ensure that the remuneration paid is fair and not out of line with that paid for similar roles.

Risk management

The Trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between:

- Governance and management
- Operational
- Financial
- Reputation
- Laws, regulations, external and environment

Governance and management looks at the skills and training of its members and staff and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the operation of its four care establishments – the members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the service provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, global downturn in markets, etc.

Reputation looks at possible damage to the Congregation and/or the charity's reputation.

Laws, regulations, external and environment look at the effect of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's care establishments.

The Trustees regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

This work and the impact of Covid-19 and its aftermath have led to a number of key risks being identified for the charity which are described below together with the principal ways in which they are mitigated:

Risk 1. The increasing age profile of the Province

The average age of the Sisters in the Province at the end of 2019 was 81 years. The stark reality is that there are now more Sisters in residential care than there are under the age of 70 years. The risks entailed in this fact are multiple, as not only will the activities and ministries of the Sisters decrease, but the need for financial resources to pay for residential and nursing care costs will inevitably increase.

To mitigate the dilution of services for vulnerable people due to this increase in age and few, if any, younger women entering the Congregation, the Trustees created 'The Daughters of Charity of St Vincent de Paul Services' an "umbrella" charitable organisation formed to ensure the sustainability of projects and services started by the Congregation and that the values and ethos on which these services were built, remain strong and true (www.dcsvpservices.org). The Trustees are made up of both Lay people and Daughters.

Regarding the ongoing care of the elderly members of the Congregation, the Trustees, as companions and friends for many years of all the elderly Sisters, desire to provide excellent care for them. The Trustees also know that there is both a moral and legal obligation to do so, as the Sisters do not have resources of their own, as all earnings, pensions and other income have been donated to the charity under a Deed of Covenant.

Thus there is now a dedicated fund for this need, the value of which has been based on actuarial principles. Also, as previously stated on pages 14 to 16, the Trustees ensure that residential care of a high standard is delivered to those Sisters most in need of it, as well as ensuring that at least another three houses are fully equipped with all necessary aids and facilities to give elderly Sisters not in need of care, but unable to fulfil active ministries, as much independence as possible.

Risk 2. Loss on investments

The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The charity's Finance and Business Director and an advisor from Ethical Investment Solutions meet quarterly with the Trustees to review and monitor the performance of the investment portfolio. The investment policy and strategy are assessed regularly to ensure they remain appropriate to the charity's needs – both now and in the future.

Last year, following an investment performance review by an independent investment consultancy, which also reviewed the ethical policy with the Trustees, the Trustees made a decision to move to a discretionary management arrangement with Sarasin & Partners LLP. This transfer happened in April 2019, and the new investment managers have worked closely with the Trustees over the year to ensure the portfolios match with the ethical and other requirements of the investment policy. The investment portfolio has performed very well in the year to 31 December 2019.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

Risk 2. Loss on investments (continued)

Subsequent to the year end, again the Trustees are facing another crisis and a greater risk to the value of the investment portfolio, being Covid-19. Global equities ended the first quarter of 2020 down 16% (mitigated somewhat by a fall in sterling) and within that, the UK stock markets fared poorly, down 25%. However, markets had improved by the end of March: at the low point, the UK market had fallen by more than a third. Against the backdrop of collapsing equity markets, sterling corporate bonds held up reasonably well, falling by c5% and while most property funds are currently suspended, we would expect to see falls in value there too. Government bonds however have returned just over 6% for the first quarter of 2020 a small ray of sunshine in an otherwise stormy sky.

While the full extent of the unfolding economic slowdown is yet to be fully understood, we expect further deterioration of the global economy and hence greater volatility in the value of our investment portfolio. Whilst the charity is a long term investor, the impact such volatility and the recession may have on investment income is of concern. The Trustees in conjunction with the investment managers will monitor the situation closely over the coming year.

Risk 3. Independence of Marillac Neurological Care Centre (MNCC)

The Trustees are in the process of separating MNCC from the main Charitable Trust. Although MNCC has a well-established executive team, this team will need to be guided through the process of independence, relying on the expertise of the Trustees. The Trustees will ensure the executive team receives the training needed for the governance of a charitable company and provide the support needed for independence.

As a newly formed charitable company, MNCC will require independent Trustees who have expertise in neurological care as well as in finance, legal and governance. Trustees are currently being recruited and initially will come together as a board of advisers, later being invited to become Trustees of the new charitable company.

Due to MNCC returning a deficit position in the year, the Trustees have postponed the independence to 31 March 2021, allowing it to be more financially stable for the new group of Trustees to take over.

Another factor which may impact on the independence is the global pandemic 'Covid-19'. The Trustees will be closely monitoring the development of this pandemic to ensure the safety of the residents in MNCC, who would be classified as a very vulnerable group.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

Risk 4. Protection of children and vulnerable adults

The Trustees recognise the absolute necessity of ensuring the protection and safeguarding of all those whom the charity serves, especially children and vulnerable adults. All the Sisters in the Province and all members of staff and volunteers, who are in contact with people through their ministry, have an Advanced Disclosure from the Disclosure and Barring Service (DBS). The Trustees are committed to implementing all the policies and procedures of the Catholic Safeguarding Advisory Council, England and Wales (CSAC) and the National Office for the Protection of Children and Vulnerable Adults in Scotland (NOPCVA). They take responsibility for identifying, preventing, investigating and responding to all allegations or incidents of abuse. In the light of recent experience of the Inquiries below, the charity has taken independent advice and revised all its policies and practices together with a new training programme.

In England and Wales, Professor Alexis Jay has been appointed by Her Majesty's Government to lead a public inquiry into institutional abuse of children (Independent Inquiry into Child Sexual Abuse). This Inquiry is considered to be the most comprehensive ever commissioned by any government and is expected to run for at least five years. This Inquiry has recently announced its intention to widen its investigation into the Catholic Church and all Congregations are being asked to submit information. The Trustees have, and will continue to, assist this Inquiry in every possible way.

In Scotland, Lady Smith has been appointed to lead a public inquiry (The National Inquiry into Historical Abuse) commissioned by Scottish Ministers under the Inquiries Act 2005.

This Inquiry was set up on 1 October 2015 and was due to report to the Scottish Government Ministers by 1 October 2019 (now extended for as long as it takes) with recommendations to improve the law, policies and practices in Scotland. It has a wide remit and is considering all forms of historic child abuse in Scotland and in other areas to where Scottish children were sent.

The Inquiry hearings in relation to two of the Daughters of Charity's former homes began on 28 November 2017 as anticipated, and ran until 30 January 2018. The transcripts of the Inquiry over that period can be found on the Inquiry website.

The Inquiry's interim report on the case study into the Daughters of Charity's establishments at Smyllum Park in Lanark (Smyllum) and Bellevue House in Rutherglen (Bellevue), was published on 11 October 2018 and is also available on the Inquiry website.

On 11 October 2018, the Daughters of Charity made a public statement in the following terms:

"As Daughters of Charity we wish to thank Lady Smith for her Report.

Lady Smith's findings describe events and practices which are totally out of keeping with the fundamental values which underpin our life and mission and we are committed to giving this Report our utmost attention.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

Risk 4. Protection of children and vulnerable adults (continued)

We most sincerely offer our heartfelt apology to anyone who suffered any form of abuse whilst in our care. Our respectful desire for the future is to build appropriate relationships with INCAS and others, to effect healing in whatever ways are possible for this generation."

The Daughters of Charity have considered the findings of the Report in detail and considered very carefully what lessons can be learned for the future in the Congregation's dealings with vulnerable people of all ages, and have considered safeguarding policies and procedures to ensure their adequacy, including working with Westminster Roman Catholic Diocese as Safeguarding Regulator.

The Inquiry did not and does not have the ability to make any findings of civil or criminal liability, but was and is only able to make recommendations for the future. In final submissions, the Daughters of Charity indicated to the Inquiry a willingness to listen to any conclusions which the Inquiry felt able to draw, based on the evidence before it, in relation to any instance of abuse which it was considered was established on the balance of probabilities to have taken place. The Daughters of Charity's consideration of the Report, and of safeguarding policies and actions in light of the Report, evidences this willingness to listen and put into practice.

Police Scotland has been involved following the evidence given by the Daughters to the Inquiry. The Daughters of Charity are seeking to engage with Police Scotland as fully and constructively as possible, and to provide information required, consistently and in a manner which is respectful of data protection obligations owed to Sisters, staff and former residents of the various establishments under consideration.

As the Daughters publicly stated at the time of the publication of the report on the case study, it was then, remains at present, and will remain in the future their respectful desire to build appropriate relationships with Survivor Groups or individual survivors, to effect healing in whatever ways are possible.

The Scottish Government has, with effect from 25 April 2019, operated an Advance Payment Scheme for those aged over 70, or diagnosed with a terminal illness, who experienced abuse in residential care in childhood. Although applicants need only certify that they experienced abuse, without requiring to provide evidence of this or requiring to have their own word on this tested, it is necessary for applicants to provide evidence that they were resident in a qualifying establishment. The Daughters of Charity are therefore in almost daily contact at present with the Advance Payment Scheme validating applications as relating to former residents in their establishments. The Safeguarding and Archivist staff of the Daughters of Charity are engaging fully with the needs of the Advance Payment Scheme, in order to ensure that we facilitate processing of payments to those entitled to them. It is anticipated that, later this year, the Scottish Government will invite anyone with an interest to consult on the legislation required to establish the full Redress Scheme which was proposed in a speech by Deputy First Minister John Swinney on 23 October 2018.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

Risk 4. Protection of children and vulnerable adults (continued)

In respect to Scotland, at the date of signing this report, the Daughters of Charity have received a number of claims. In the vast majority of these claims, at the time of intimation, social work and medical records had not been recovered by the claimant, and in those cases either the claimant is recovering those to relay to the Daughters of Charity, or the Daughters of Charity's solicitor is securing mandates for recovery of those records and is proactively progressing each of these claims. Through their legal team, the Daughters of Charity continue to receive correspondence from new individuals and continue to address each claim or subject access request proactively from receipt.

In a limited number of the claims received to date, it has been possible to retrieve records and progress investigations so far as possible given the limitations on available evidence. Three such cases have been settled without litigation, with the express approval in advance of the Trustees and after close consideration of legal advice, on the basis of an economic analysis, without admission of liability. None of these claims have, to date, resulted in litigation.

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 pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2019, the charity received no complaints about its fundraising activities (2018 – none).

Concern for the environment

Conscious of the need for a sustainable environment and the responsibility each person and organisation has to care for the environment, the Trustees actively encourage the recycling of waste and reduction in energy consumption throughout the charity's services and locations.

Public benefit

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The Trustees believe they have demonstrated in detail throughout this report the ways in which the charity has been faithful to this.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Employees, volunteers and members of the Congregation

The Trustees wish to record their recognition of the professionalism and commitment of all their staff and volunteers as well as the individual members of the Congregation. Their loyalty, dedication and positive approach to the service they give is crucial to the services provided to people in need throughout the Province and beyond. This is very much appreciated and never taken for granted.

Signed on behalf of the Trustees:

Ellen T Flynn

Trustee

Approved by the Trustees on: 13 January 2021

Report of the independent auditor to the Trustees of Daughters of Charity of St Vincent de Paul Charitable Trust

Opinion

We have audited the financial statements of Daughters of Charity of St Vincent de Paul Charitable Trust (the 'charity') for the year ended 31 December 2019, which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the 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 December 2019 and of the income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the 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.

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' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient and proper accounting records have not been kept by the charity; 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

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.

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, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity 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

27 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 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
Income:						
Donations and legacies	1	2,379,627	136,482	—	2,516,109	2,935,445
Investment income and interest receivable	2	919,927	47,747	—	967,674	1,041,581
Charges for residential, care and support services	3	5,572,035	—	—	5,572,035	5,501,405
Other income						
. Surplus on disposal of tangible fixed assets		17,551	—	—	17,551	5,094
. Rent receivable		8,938	—	—	8,938	108,222
. Miscellaneous income		9,526	—	—	9,526	13,037
Total income		8,907,604	184,229	—	9,091,833	9,604,784
Expenditure:						
Cost of raising funds						
. Investment managers' fees		88,028	5,846	—	93,874	24,496
Expenditure on charitable activities						
. Provision of residential, care and support services	4	6,346,005	22,798	—	6,368,803	5,772,209
. Support of members of the Congregation and their ministry	5	4,499,311	—	—	4,499,311	4,390,638
. Charitable grants, donations payable and similar	6	115,953	85,873	—	201,826	269,546
Total expenditure		11,049,297	114,517	—	11,163,814	10,456,889
Net (expenditure) income for the year before investment gains (losses)		(2,141,693)	69,712	—	(2,071,981)	(852,105)
Net investment gains (losses)						
. Listed investments		3,826,346	—	—	3,826,346	(2,065,763)
. Investment land		(1,000,000)	—	—	(1,000,000)	(2,000,000)
. Foreign exchange gains		351,688	—	—	351,688	—
Net income (expenditure) for the year	8	1,036,341	69,712	—	1,106,053	(4,917,868)
Transfer between funds	17	20,343	(20,343)	—	—	—
Net movement in funds for the year		1,056,684	49,369	—	1,106,053	(4,917,868)
Reconciliation of funds:						
Balances brought forward at 1 January 2019		53,661,278	388,443	448,991	54,498,712	59,416,580
Balances carried forward at 31 December 2019		54,717,962	437,812	448,991	55,604,765	54,498,712

A full comparative statement of financial activities is provided on page 37.

All activities of the charity comprised continuing operations during the above two financial years.

Comparative statement of financial activities Year to 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Income:					
Donations and legacies	1	2,791,814	143,631	—	2,935,445
Investment income and interest receivable	2	984,889	56,692	—	1,041,581
Charges for residential, care and support services	3	5,501,405	—	—	5,501,405
Other income					
. Surplus on disposal of tangible fixed assets		5,094	—	—	5,094
. Rent receivable		108,222	—	—	108,222
. Miscellaneous income		13,037	—	—	13,037
Total income		9,404,461	200,323	—	9,604,784
Expenditure:					
Cost of raising funds					
. Investment managers' fees		24,337	159	—	24,496
Expenditure on charitable activities					
. Provision of residential, care and support services	4	5,748,880	23,329	—	5,772,209
. Support of members of the Congregation and their ministry	5	4,390,592	46	—	4,390,638
. Charitable grants, donations payable and similar	6	34,849	234,697	—	269,546
Total expenditure		10,198,658	258,231	—	10,456,889
Net expenditure for the year before investment losses		(794,197)	(57,908)	—	(852,105)
Net investment losses					
. Listed investments		(2,065,763)	—	—	(2,065,763)
. Investment land		(2,000,000)	—	—	(2,000,000)
Net expenditure for the year	8	(4,859,960)	(57,908)	—	(4,917,868)
Transfer between funds	17	17,955	(17,955)	—	—
Net movement in funds for the year		(4,842,005)	(75,863)	—	(4,917,868)
Reconciliation of funds:					
Balances brought forward at 1 January 2018		58,503,283	464,306	448,991	59,416,580
Balances carried forward at 31 December 2018		53,661,278	388,443	448,991	54,498,712

Balance sheet 31 December 2019

	Notes	2019 £	2018 £
Fixed assets:			
Tangible assets	12	16,734,303	18,652,834
Investments	13	35,209,224	32,931,196
		51,943,527	51,584,030
Current assets:			
Debtors			
. Amounts falling due within one year	14a	813,861	877,522
. Amounts falling due after one year	14b	—	10,000
		813,861	887,522
Short term deposits		1,603,305	802,095
Cash at bank and in hand		1,945,933	2,018,241
		4,363,099	3,707,858
Liabilities:			
Creditors: amounts falling due within one year			
	15a	(620,205)	(665,980)
		3,742,894	3,041,878
Net current assets			
Total assets less current liabilities			
		55,686,421	54,625,908
Creditors: amounts falling due after more than one year			
	15b	(81,656)	(127,196)
Total net assets			
		55,604,765	54,498,712
The funds of the charity:			
Capital funds			
Permanent endowment funds	16	448,991	448,991
Income funds			
Restricted funds	17	437,812	388,443
Unrestricted funds			
. Tangible fixed assets fund	18	11,833,803	13,344,604
. Programme related investments fund	19	1,322,423	682,003
. Designated funds	20	32,116,172	32,920,191
. General fund		9,445,564	6,714,480
		55,604,765	54,498,712

Approved by the Trustees and signed on their behalf by:

Ellen T Flynn

Trustee

Approved by the Trustees on: 13 January 2021

Statement of cash flows Year to 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(2,257,678)	(1,168,837)
Cash flows from investing activities:			
Investment income received		947,234	961,934
Bank interest received		20,440	5,122
Loan interest received		—	16,825
Proceeds from the disposal of tangible fixed assets		337,580	5,100
Purchase of tangible fixed assets		(146,928)	(254,733)
Proceeds from the disposal of programme related investments		333,369	—
Proceeds from the disposal of investments		33,957,868	—
Net cost of settlement of foreign exchange contracts		378,462	—
Purchase of investments		(30,734,671)	(4,895)
Net cash provided by investing activities		5,093,354	729,353
Cash flows from financing activities:			
Capital element of finance lease rentals		(45,540)	(45,540)
Net cash used in financing activities		(45,540)	(45,540)
Change in cash and cash equivalents in the year		2,790,136	(485,024)
Cash and cash equivalents at 1 January 2019	B	2,820,336	3,305,360
Cash and cash equivalents at 31 December 2019	B	5,610,472	2,820,336

Notes to the statement of cash flows for the year to 31 December 2019.

A		2019 £	2018 £
	Reconciliation of net movement in funds to net cash used in operating activities		
	Net movement in funds (as per the statement of financial activities)	1,106,053	(4,917,868)
	Adjustments for:		
	Depreciation charge	771,642	786,370
	(Gains) losses on investments and foreign exchange	(3,178,034)	4,065,763
	Investment income receivable	(947,234)	(961,934)
	Bank interest receivable	(20,440)	(5,122)
	Loan interest receivable	—	(16,825)
	Deficit (surplus) on disposal of tangible fixed assets	68,593	(5,094)
	Surplus on disposal of programme related investments	(86,144)	—
	Decrease (increase) in debtors	73,661	(12,545)
	Decrease in creditors	(45,775)	(101,582)
	Net cash used in operating activities	(2,257,678)	(1,168,837)

Statement of cash flows Year to 31 December 2019

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,945,933	2,018,241
Term deposits (less than three months)	1,603,305	802,095
Cash held by investment managers	2,061,234	—
Total cash and cash equivalents	5,610,472	2,820,336

C Analysis of changes in net debt

	2018 £	Cash flows £	2019 £
Cash at bank and in hand	2,018,241	(72,308)	1,945,933
Term deposits	802,095	801,210	1,603,305
Cash held by investment managers	—	2,061,234	2,061,234
Finance lease obligations	(172,736)	45,540	(127,196)
Balance at 31 December 2019	2,647,600	2,835,676	5,483,276

Basis of accounting

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 to 31 December 2019 with comparative information given in respect to the year to 31 December 2018.

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- ◆ estimating the market value of investment land;
- ◆ assessing the recoverability of outstanding debtors for residential and care home fees;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the Sisters' care and retirement fund.

Critical accounting estimates and areas of judgement (continued)

In addition to the above, the full impact following the emergence of the global Covid-19 pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of investment land (see note 13) are subject to a greater degree of uncertainty and volatility. Future income and expenditure flows have been estimated also in order to assess the impact if any on going concern.

As set out in these accounting policies under "assessment of going concern", the Trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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 at least one year from the date of approval of these accounts.

The Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the charity and have concluded that there may be some negative consequences such as the impact on investment income and loss of donations income. However, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets. It is intended that the activities and certain of the net assets of the Marillac Neurological Care Centre will be transferred to a new independent charitable company at 31 March 2021. Further details of these issues can be found under the investment policy and the risk management sections of the Trustees' report.

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, charges for residential, care and support services and other income including the surplus on the disposal of tangible fixed assets.

Income recognition (continued)

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.

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 being transferred to the charity.

Investment income is recognised once the dividend has been declared and notification has been received of the dividend 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 derived from the levying of charges for residential, care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Other income is measured at fair value and accounted for on an accruals basis.

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 on raising funds includes all expenditure associated with raising funds for the charity. This relates to investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and indirect expenditure on the provision of residential, care and support services, direct and indirect costs in respect to the support of members of the Congregation and enabling their ministry, and the provision of charitable grants and donations.

Expenditure incurred in the provision of residential care and support services comprises all costs of providing nursing care for physically disabled persons at Marillac Neurological Care Centre.

Charitable grants and 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. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. 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. Governance costs are included as a specific category within support costs.

Support costs are allocated to expenditure on charitable activities on the basis described in note 7 to these accounts.

Tangible fixed assets

All assets costing more than £2,500 and with an expected useful life exceeding one year are capitalised.

◆ ***Voluntary-aided schools***

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The Trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◆ ***Other freehold land and buildings***

With the exception of one property, all land and buildings located in England and Wales and purchased prior to 1 January 1993 are included in the accounts at a valuation determined as at that date (the date on which the land and buildings were first incorporated into a set of statutory accounts). The valuations, which were determined by the trustees with professional assistance and based on market values as at 1 January 1993, were used in the absence of reliable cost figures being available due (in part) to the fact that many of the properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the trustees, would not be an appropriate or effective use of the charity's resources. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed their cost.

One property situated in England was not incorporated into the statutory accounts until 1 January 1997 and, for similar reasons as set out above, it is included in the accounts at a valuation determined by the trustees with professional assistance as at 1 January 1997 based on market value as at that date. As permitted by FRS 102, with effect from 1 January 2014 the value assigned to this property is now deemed its cost.

All other freehold land and buildings situated in England and Wales have been purchased subsequent to 1 January 1993 and are included in the accounts at cost.

All land and buildings located in Scotland and purchased prior to 1 January 1996 are included in the accounts at a valuation determined as at that date (the date on which the land and buildings were first incorporated into a set of statutory accounts). The valuations, which were determined by the trustees with professional assistance and based on market values as at 1 January 1996, were used in the absence of reliable cost figures being available due (in part) to the fact that many of the properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the trustees, would not be an appropriate or effective use of the charity's resources. As permitted by FRS 102, with effect from 1 January 2014 the value assigned to these properties is now deemed their cost. All freehold land and buildings situated in Scotland and purchased subsequent to 1 January 1996 are included in the accounts at cost.

Tangible fixed assets (continued)

◆ **Other freehold land and buildings** (continued)

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.

Specialised buildings are defined as those comprising the charity's care homes, health care establishments and large residential convents. Depreciation is provided at between 2% to 4% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

◆ **Long leasehold property**

Long leasehold property comprising both specialised and non-specialised buildings is shown on the balance sheet at a valuation determined by the trustees with professional assistance as at 1 January 1993 (the date on which it was first incorporated into a set of statutory accounts). The valuations were used in the absence of reliable cost figures being available due (in part) to the fact that many of the leasehold properties had been purchased many years earlier and cost figures could not be determined without considerable research - the cost of which, in the opinion of the trustees, would not be an appropriate or effective use of the charity's resources. As permitted by FRS 102, with effect from 1 January 2014 the value assigned to these leasehold properties is now deemed their cost.

Long leasehold property is not depreciated until the period of the lease remaining is 50 years or less at which point it is depreciated on a straight line basis over the remaining period of the lease. All leasehold property is maintained to standards which ensure that its residual value is not less than its book value. Therefore, depreciation on such property with more than 50 years of the lease remaining is deemed immaterial.

◆ **Furniture, plant and computer equipment**

Expenditure on the purchase and replacement of furniture, plant and computer equipment is capitalised and depreciated on a straight line basis over the estimated life of each asset, as follows:

Plant	- 10 years
Furniture and plant	- 5 years
Computer equipment	- 4 years

◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis in order to write off each vehicle over its estimated useful life.

Fixed asset 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.

Fixed asset investments (continued)

Management of the charity's investment portfolio includes the use of foreign exchange contracts including forward contracts. These are a form of complex financial instrument. They are recognised initially at their transaction value and subsequently measured at their fair value as at the balance sheet date, using the prevailing exchange rate at that date. Changes in fair value are credited (or debited) to the statement of financial activities in the year in which they arise.

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.

Land held for investment is included in the accounts at the estimated current market value of the land based on disposal for development and the likelihood of residential planning consent being granted. The valuation has been determined by the Trustees after consultation with their professional property advisers.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 year 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 year in which they arise.

Programme related investments

Programme related investments comprise properties owned by the charity but occupied by St Joseph's Services, Rosewell or by The Louise Project Limited.

St Joseph's occupies the properties at a peppercorn rent. St Joseph's is a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by St Joseph's Services is consistent with the charitable objects of the charity and as such the properties are classified as programme related investments. They are stated at their book value at the date on which the properties were reclassified by the charity from tangible fixed assets (i.e. functional properties) to programme related investments. No depreciation is charged on programme related investments. Impairment provisions, if any, are charged to the statement of financial activities when and if they arise and are classified as charitable expenditure.

The Louise Project Limited occupies the property at a reduced market value rent. The Louise Project Limited (the Project) is a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by the Project is consistent with the charitable objects of the charity and as such the property is classified as a programme related investment. It is stated at book value as at 1 April 2017, the date on which the activities of the Project were transferred from the charity and the date, therefore, on which the properties were reclassified by the charity from tangible fixed assets (i.e. functional properties) to programme related investments. No depreciation is charged on programme related investments. Impairment provisions, if any, are charged to the statement of financial activities when and if they arise and are classified as charitable expenditure.

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.

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.

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

The endowment funds comprise monies which must be held indefinitely as capital. The income therefrom is credited directly to unrestricted or restricted funds in accordance with the terms of the relevant endowment.

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

The tangible fixed assets fund represents the net book value of the tangible fixed assets, after deducting the finance lease obligations in respect to furniture and equipment, used for the support of the Sisters and their ministry.

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by other organisations at a peppercorn rent or reduced market value rent but used for purposes consistent with the charitable objectives of the charity.

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Lease arrangements that transfer substantially all the risks and rewards of ownership to the lessee are treated as finance leases. Assets held under finance leases are capitalised within tangible fixed assets and depreciated over the shorter of the lease term and useful life of the asset. A liability is recognised for the present value of the minimum lease payments within current and long term liabilities as appropriate. Rental payments are apportioned between capital and interest expense.

Foreign currencies

Income received, and costs incurred overseas, are translated into sterling at the rate of exchange in force at the year end. This policy does not comply with FRS 102, Section 30 which requires income and expenditure to be translated using the rate of exchange on the transaction date and amounts payable or receivable to be retranslated at the reporting date but has been adopted to avoid over-complexity. The amounts involved are not material, and the Trustees have therefore concluded that this departure does not prevent the accounts from presenting a true and fair view of the charity's financial position, financial performance and cash flows in the year ended 31 December 2019.

Pension costs

Employer's contributions in respect of the charity's Group Pension Plan, a defined contribution scheme, are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme.

All eligible members of staff (not already contributing to an eligible scheme) continue to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Services provided by members of the Congregation

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

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Salaries and pensions of individual religious	1,880,339	—	—	1,880,339
Legacies	354,480	—	—	354,480
Donations for the Congregation's overseas missions	—	98,511	—	98,511
Other donations	144,808	37,971	—	182,779
2019 Total funds	2,379,627	136,482	—	2,516,109

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Salaries and pensions of individual religious	1,916,071	—	—	1,916,071
Legacies	839,782	24,279	—	864,061
Donations for the Congregation's overseas missions	—	84,032	—	84,032
Other donations	35,961	35,320	—	71,281
2018 Total funds	2,791,814	143,631	—	2,935,445

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Income from listed investments				
. Government Bonds	40,104	1,425	—	41,529
. Non-Government Bonds	27,902	3,241	—	31,143
. UK Fixed Interest Unit Trusts	94,450	5,434	—	99,884
. UK Equities and Equity Trust	285,720	16,001	—	301,721
. Global Equities	152,775	14,364	—	167,139
. UK property and Unit Trusts	154,462	5,371	—	159,833
. Alternative Investments	14,699	155	—	14,854
	770,112	45,991	—	816,103
. Income from programme related investments	131,131	—	—	131,131
Interest receivable				
. Monies held by investment managers	10,959	658	—	11,617
. Bank interest	7,725	1,098	—	8,823
. Loan interest	—	—	—	—
	18,684	1,756	—	20,440
2019 Total funds	919,927	47,747	—	967,674

2 Investment income and interest receivable (continued)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Income from listed investments				
. UK fixed interest funds	260,164	17,383	—	277,547
. UK property funds	173,573	8,835	—	182,408
. UK equity funds	472,456	29,523	—	501,979
	<u>906,193</u>	<u>55,741</u>	<u>—</u>	<u>961,934</u>
. Income from programme related investments	57,700	—	—	57,700
Interest receivable				
. Bank interest	4,171	951	—	5,122
. Loan interest	16,825	—	—	16,825
	<u>20,996</u>	<u>951</u>	<u>—</u>	<u>21,947</u>
2018 Total funds	<u>984,889</u>	<u>56,692</u>	<u>—</u>	<u>1,041,581</u>

3 Charges for residential, care and support services

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
2019 Total funds:				
Nursing home charges	<u>5,572,035</u>	<u>—</u>	<u>—</u>	<u>5,572,035</u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
2018 Total funds:				
Nursing home charges	<u>5,501,405</u>	<u>—</u>	<u>—</u>	<u>5,501,405</u>

4 Provision of residential, care and support services

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Staff costs	4,685,434	—	—	4,685,434
Premises	991,036	290	—	991,326
Provisions	147,690	—	—	147,690
Welfare of residents	241,636	3,198	—	244,834
Other costs	208,587	19,310	—	227,897
Support costs (note 7)	71,622	—	—	71,622
2019 Total funds	6,346,005	22,798	—	6,368,803

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Staff costs	4,211,613	—	—	4,211,613
Premises	951,215	3,610	—	954,825
Provisions	145,091	—	—	145,091
Welfare of residents	218,178	8,086	—	226,264
Other costs	154,421	11,633	—	166,054
Support costs (note 7)	68,362	—	—	68,362
2018 Total funds	5,748,880	23,329	—	5,772,209

5 Support of members of the Congregation and their ministry

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Sisters' living and personal expenses	957,588	—	—	957,588
Premises	1,146,316	—	—	1,146,316
Staff costs	1,761,355	—	—	1,761,355
Spiritual renewal	153,662	—	—	153,662
Other costs	110,918	—	—	110,918
Support costs (note 7)	369,472	—	—	369,472
2019 Total funds	4,499,311	—	—	4,499,311

5 Support of members of the Congregation and their ministry (continued)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Sisters' living and personal expenses	1,056,393	—	—	1,056,393
Premises	1,040,336	—	—	1,040,336
Staff costs	1,704,300	—	—	1,704,300
Spiritual renewal	145,886	—	—	145,886
Other costs	82,361	—	—	82,361
Support costs (note 7)	361,316	46	—	361,362
2018 Total funds	4,390,592	46	—	4,390,638

6 Charitable grants and donations payable

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Donations to the Congregation's overseas missions:				
. Ethiopia	—	73,044	—	73,044
. Haiti	—	833	—	833
. Bethlehem	—	786	—	786
. Kenya	—	1,720	—	1,720
. Vietnam	—	7,810	—	7,810
. Syria	—	1,080	—	1,080
. India	—	500	—	500
. Paris	—	100	—	100
The 13 Houses Project, Ethiopia	60,000	—	—	60,000
The Vincentian Volunteers	5,000	—	—	5,000
Holy Cross Abbey	5,000	—	—	5,000
St Vincent's Family Project	25,000	—	—	25,000
The Louise Project	30,000	—	—	30,000
Vincentian Care Plus	(20,000)	—	—	(20,000)
Other donations	10,953	—	—	10,953
2019 Total funds	115,953	85,873	—	201,826

'Other donations' comprise amounts of £1,000 or less donated to other organisations with objects consistent with those of the charity.

The "negative" amount of £20,000 in respect to Vincentian Care Plus (VCP) relates to the refund of monies donated to VCP in prior years (see note 22).

6 Charitable grants and donations payable (continued)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2018 £
Donations to the Congregation's overseas missions:				
. Ethiopia	—	208,603	—	208,603
. Haiti	—	2,071	—	2,071
. Bethlehem	—	1,741	—	1,741
. Kenya	—	10,342	—	10,342
. Vietnam	—	7,425	—	7,425
. Syria	—	4,005	—	4,005
. Jerusalem	—	510	—	510
The Vincentian Volunteers	5,000	—	—	5,000
Holy Cross Abbey	10,000	—	—	10,000
Vincentian Care Plus	4,387	—	—	4,387
JPIG Links	2,000	—	—	2,000
Other donations	13,462	—	—	13,462
2018 Total funds	34,849	234,697	—	269,546

7 Support costs

	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2019 £	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2018 £
Legal and professional fees	14,720	223,203	237,923	14,525	256,678	271,203
Central administration	33,917	32,548	66,465	30,757	30,532	61,289
Bank charges	12,365	7,476	19,841	12,200	7,757	19,957
Governance (see below)	10,620	106,245	116,865	10,880	66,395	77,275
Total funds	71,622	369,472	441,094	68,362	361,362	429,724

9 Staff costs and remuneration of key management personnel

	2019 £	2018 £
Staff costs during the year were as follows:		
Wages and salaries	5,173,088	4,768,667
Social security costs	402,372	363,022
Other pension costs	139,519	108,027
Apprenticeship levy	8,080	6,497
	5,723,059	5,246,213
Agency staff	723,730	669,700
	6,446,789	5,915,913

Payments to agency staff during the year reflect the difficulties in recruiting permanent nursing and care staff.

Staff costs per function were as follows:

	2019 £	2018 £
Provision of residential, care and support services	4,685,434	4,211,613
Support of members of the Congregation and their ministry	1,761,355	1,704,300
	6,446,789	5,915,913

The following number of employees earned £60,000 per annum or more (including taxable benefits but excluding employer's pension contributions):

	2019	2018
£60,000 - £70,000	1	1
£80,000 - £90,000	—	1
£120,000 - £130,000	1	—

The average number of employees during the year, analysed by function, was:

	2019	2018
Provision of residential, care and support services	177	187
Support of members of the Congregation and their ministry	108	107
	285	294

The number of employees based on full time equivalents, analysed by function, was:

	2019	2018
Provision of residential, care and support services	130	145
Support of members of the Congregation and their ministry	77	77
	207	222

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Finance and Business Director, the Care Home Managers and the Executive team of Marillac Neurological Care Centre. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £454,904 (2018 - £388,126).

10 Trustees' expenses and remuneration and transactions with Trustees

The charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No Trustee received any remuneration or reimbursement of expenses in connection with their duties as Trustees or members of key management (2018 - none).

As members of the Congregation, none of the Trustees 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 year, the total amount donated by the Trustees to the charity was £66,854 (2018 - £57,658).

11 Taxation

The Daughters of Charity of St Vincent de Paul Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12 Tangible fixed assets

	Freehold land and buildings				Furniture, plant and computer equipment £	Motor vehicles £	Total £
	Sisters' living accommo- -dation £	Supported living accommo- -dation £	Special needs accommo- -dation £	Long leasehold land and buildings £			
Cost or valuation							
At 1 January 2019	7,177,827	1,182,889	16,307,997	128,596	772,586	440,433	26,010,328
Additions	—	—	48,155	—	64,954	33,819	146,928
Transfer to programme related investments (note 13)	—	(1,182,889)	—	—	—	—	(1,182,889)
Disposals and eliminations	(397,404)	—	(33,093)	—	(113,904)	(46,002)	(590,403)
At 31 December 2019	6,780,423	—	16,323,059	128,596	723,636	428,250	24,383,964
At deemed cost based on valuation in 1993	805,000	—	—	—	—	—	805,000
At deemed cost based on valuation in 1996	200,000	—	232,000	—	—	—	432,000
At deemed cost based on valuation in 1997	—	—	3,250,001	—	—	—	3,250,001
At cost	5,775,423	—	12,841,058	128,596	723,636	428,250	19,896,963
	6,780,423	—	16,323,059	128,596	723,636	428,250	24,383,964
Depreciation							
At 1 January 2019	—	271,587	6,355,538	—	378,353	352,016	7,357,494
Charge for the year	—	23,658	556,255	—	138,164	53,565	771,642
Transfer to programme related investments (note 13)	—	(295,245)	—	—	—	—	(295,245)
On disposals and eliminations	—	—	(33,093)	—	(113,904)	(37,233)	(184,230)
At 31 December 2019	—	—	6,878,700	—	402,613	368,348	7,649,661
Net book values							
At 31 December 2019	6,780,423	—	9,444,359	128,596	321,023	59,902	16,734,303
At 31 December 2018	7,177,827	911,302	9,952,459	128,596	394,233	88,417	18,652,834

Under previous Generally Accepted Accounting Practice, a number of freehold and long leasehold properties were held at book values based on Trustees' valuations made in 1993, 1996 and 1997 based on open market value at the date of valuation. As permitted under the transitional provisions of FRS 102 (section 35), the charity has elected to use these valuations as deemed cost.

The remaining properties and other tangible fixed assets are held at cost less accumulated depreciation where applicable.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of Trustees, is not justified in terms of the benefit to the users of the accounts.

Furniture and equipment with a carrying value of £129,002 (2018 - £174,532) is held under finance leases. The accumulated depreciation on these assets at 31 December 2019 totals £98,648 (2018 - £53,118).

Capital commitments

At 31 December 2019 the charity had no capital commitments (2018 - £nil).

13 Investments

	2019 £	2018 £
Investment land	3,000,000	4,000,000
Listed Investments	30,913,576	28,249,193
Foreign exchange contracts	(26,774)	—
Programme Related Investments	1,322,422	682,003
	35,209,224	32,931,196

Investment land

The charity has owned and occupied land at Lanark, Scotland since 1949 and for many years the Sisters operated a hospital on the site. Since the closure of the hospital, the charity has been exploring how best to utilise the land for the benefit of its charitable objects. Initially, this involved discussions with a property developer about a disposal of the land for residential property development. Unfortunately, the collapse of the housing market and the severe financing restrictions since 2008 have led to interest by developers being extremely limited.

The value of the land has been written down in these accounts to reflect its value on the open market as estimated by an independent valuer. An unrealised loss of £1 million is shown in the statement of financial activities. The value of the land was also written down in the 2018 accounts to reflect its value on the open market as evidenced by an offer for the land from a potential developer. An unrealised loss of £2 million was shown in the statement of financial activities for 2018. However, since the offer was made in April 2019, it has not been progressed by the potential developer.

Listed investments

	2019 £	2018 £
Listed investments		
Market value at 1 January 2019	28,249,193	30,310,061
Additions	30,734,671	4,895
Disposals at opening book value (proceeds £33,957,868, gains £1,755,867)	(32,202,001)	—
Net gains (losses) on revaluation	2,070,479	(2,065,763)
Market value at 31 December 2019	28,852,342	28,249,193
Cash held by investment managers	2,061,234	—
	30,913,576	28,249,193
Cost of listed investments at 31 December 2019	26,647,293	25,070,403

13 Investments (continued)

Listed investments (continued)

Listed investments held at 31 December 2019 comprised the following:

	2019 £	2018 £
. Government Bonds	2,841,741	—
. Non-Government Bonds	2,153,143	—
. UK Fixed interest Unit Trusts	—	8,591,757
. UK Equities and Equity Trusts	5,531,398	14,840,888
. Global Equities	14,120,249	—
. UK Property and Unit Trusts	1,902,741	4,816,548
. Alternative Investments	2,303,070	—
	28,852,342	28,249,193

At 31 December 2019 listed investments included the following individual holdings, all of which are deemed material holdings in the context of the entire portfolio valuation as at that date:

	2019		2018	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
Sarasin Responsible Corp Bond Inc	2,153,143	7.46%	—	—
The Charity Property Fund	741,262	2.57%	2,159,656	7.65%
Hermes Property Unit Trust	—	—	2,656,892	9.41%
Ethical Corporate Bond Fund Class B (Income)	—	—	8,591,756	30.41%
Affirmative Equity Fund for Charities	—	—	6,161,306	21.81%
Foreign & Colonial UK income Fund	—	—	4,330,067	15.33%
Amity UK Fund (B Class Income Shares)	—	—	4,336,458	15.35%

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

Gains on foreign exchange contracts for the year ended 31 December 2019 consisted of the following:

	2019 £
Foreign exchange contracts	
Fair value gain on settlement (settled cost: £378,460; market value: (£2))	378,462
Fair value loss on unsettled contracts (unsettled cost: £7,979,754; market value: £8,006,528)	(26,774)
Total gain on foreign exchange contracts	351,688

13 Investments (continued)

Listed investments (continued)

There were no foreign exchange contracts in the year ended 31 December 2018.

Nature and extent of risks arising from financial instruments

The aim of investment risk management is to minimise the risk of an overall reduction in the value of the portfolio and to maximise the opportunity for gains.

The Trustees monitor the underlying risks to which the investments are exposed through reviews with the investment managers. The risks to which the investments are exposed include market and credit risk. The exposure to market risk is mitigated by the charity investing in a diverse portfolio of investments across various markets. Bonds and bond like instruments are exposed to credit risk but exposure to credit risk is minimised by only investing in bonds that are subject to a minimum credit rating.

Liquidity risk represents the risk that the charity will not be able to meet its financial obligations as they fall due. The trustees monitor cash flows and take steps to ensure that there are adequate cash resources to meet the charity's commitments.

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling).

Programme related investments

	2019 £	2018 £
Carrying value at 1 January 2019	682,003	682,003
Transfer from tangible fixed assets (note 12)	887,644	—
Disposal in year	(247,225)	—
Carrying value at 31 December 2019	<u>1,322,422</u>	<u>682,003</u>

With effect from 1 April 2015, the activities of St Joseph's Services, Rosewell were transferred from the charity to a newly incorporated charitable company registered with the Office of the Scottish Charity Regulator. At that date, two of the properties owned by the charity but occupied by St Joseph's Services, Rosewell at a peppercorn rent were reclassified as programme related investments in these accounts, having previously been classified as functional freehold properties used for supported living within tangible fixed assets. The programme related investments were transferred from tangible fixed assets at their book value as at 1 April 2015.

13 Investments (continued)

Programme related investments (continued)

During the year, one of these properties (Sycamore House) was sold to St Joseph's Services, Rosewell for the sum of £333,370. This amount was agreed after both the charity and St Joseph's Services had taken independent professional advice and after taking in to consideration the fact that both are registered charities.

During the year, four properties owned by the charity but occupied by St Joseph's Services, Rosewell as houses of multiple occupancy for people with learning disabilities, were reclassified as programme related investments in these accounts, having previously been classified as functional freehold properties used for supported living within tangible fixed assets. The programme related investments were transferred from tangible fixed assets at their book value as at 31 December 2019.

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). At that date a property owned by the charity but occupied by The Louise Project Limited, at a reduced market rent was reclassified as a programme related investment in these accounts, having previously been classified as functional freehold property within tangible fixed assets and used for special needs accommodation housing.

14a Debtors: amounts falling due within one year

	2019 £	2018 £
Residential and care home fees	603,699	647,600
Prepayments and accrued income	155,232	171,767
Legacy receivable	—	18,965
Loans	45,000	25,000
Other debtors	9,930	14,190
	813,861	877,522

The loans of £45,000 (2018 - £25,000) represent amounts advanced to St Vincent's Family Project, a connected charity. The loans are to cover working capital requirements and are repayable on demand (note 22).

14b Debtors: amounts falling due after one year

An interest free loan of £10,000 was made by the charity to a family member of a Sister of the Congregation during 2016. This was repaid in full during the year, one year earlier than anticipated.

15a Creditors: amounts falling due within one year

	2019 £	2018 £
Residential, care and support establishment fees in advance	22,400	50,263
Expense creditors	136,226	165,495
Social security and other taxes	92,234	92,463
Other creditors	28,583	35,608
Monies administered by the charity on behalf of individual members of the Daughters of Charity of St Vincent de Paul	71,718	67,818
Money held on behalf of the Ethiopian Province of the Daughters of Charity of St Vincent de Paul	86,742	86,381
Grant payable to Out There (note 22)	66,000	66,000
Accruals	70,762	56,412
Finance lease obligations (note 24)	45,540	45,540
	620,205	665,980

15b Creditors: amounts falling due after more than one year

	2019 £	2018 £
Finance lease obligations (note 24)	81,656	127,196

16 Permanent endowment funds

The capital of these funds must be preserved, although the income may be used in accordance with the terms of the relevant endowment at the discretion of the trustees.

	At 1 January 2019 £	Movement in year £	At 31 December 2019 £	At 1 January 2018 £	Movement in year £	At 31 December 2018 £
Salisbury fund	254,175	—	254,175	254,175	—	254,175
Wigmore Street Trust fund	194,816	—	194,816	194,816	—	194,816
	448,991	—	448,991	448,991	—	448,991

The Salisbury fund was established in 1871 by deed of trust when several properties located in Salisbury were gifted to the Daughters of Charity of St Vincent de Paul to be held as an endowment in perpetuity. The properties were vested in the name of the charity by means of a Scheme of the Charity Commissioners dated 2 June 1965 and a Vesting Order dated 16 May 1997. The properties were sold during the year ended 31 December 1998, following approval from the Charity Commission. The proceeds are to be held as permanent endowment.

The Wigmore Street Trust fund was established on 2 May 1965 by deed of trust. On 9 June 2005 the administration of the trust was transferred from the Westminster Roman Catholic Diocesan Trust to the Daughters of Charity of St Vincent de Paul to be held as an endowment in perpetuity. With effect from 22 September 2020, the restrictions with respect to the expenditure of capital were released, such that any part of the capital can be spent as well as the income, in such manner as the Trustees may in their discretion think fit.

17 Restricted funds

The income funds of the group and charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purpose.

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Mission funds					
. Ethiopian	355,947	129,356	(78,890)	—	406,413
. Other mission funds	3,441	16,902	(12,829)	—	7,514
Other restricted funds	29,055	37,971	(22,798)	(20,343)	23,885
	388,443	184,229	(114,517)	(20,343)	437,812

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2018 £
Mission funds					
. Ethiopian	416,266	148,443	(208,762)	—	355,947
. Other mission funds	13,021	16,560	(26,140)	—	3,441
Other restricted funds	35,019	35,320	(23,329)	(17,955)	29,055
	464,306	200,323	(258,231)	(17,955)	388,443

The mission funds comprise monies donated or granted to the charity towards the work of members of the Roman Catholic Congregation, the Daughters of Charity of St Vincent de Paul, in overseas missions.

Transfers from restricted funds to unrestricted funds represent the reimbursement of the unrestricted funds for expenditure.

18 Tangible fixed asset fund

	At 1 January 2019 £	Movements in year £	At 31 December 2019 £	At 1 January 2018 £	Movements in year £	At 31 December 2018 £
Tangible fixed assets fund	13,344,604	(1,510,801)	11,833,803	13,593,769	(249,165)	13,344,604

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets, less the finance lease obligations in respect to furniture and equipment, used for the support of the Sisters and their ministry (i.e. excluding those applied for use by the residential and care service establishments and The Space, Govanhill). A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

19 Programme related investments fund

Group and charity	At 1 January 2019 £	Movement in year £	At 31 December 2019 £	At 1 January 2018 £	Movement in year £	At 31 December 2018 £
St Joseph's Services property	302,351	640,420	942,771	302,351	—	302,351
The Louise Project Limited property	379,652	—	379,652	379,652	—	379,652
	682,003	640,420	1,322,423	682,003	—	682,003

The programme related investments fund represents the book value of those properties classified as programme related investments i.e. those properties occupied by St Joseph's Services, Rosewell and The Louise Project Limited, at a reduced rent but used for purposes consistent with the charitable objectives of the charity.

20 Designated funds

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

	At 1 January 2019 £	New designations £	Utilised/ released £	At 31 December 2019 £
Sisters' care and retirement fund	22,852,000	—	(389,000)	22,463,000
Residential care and support services fund	6,324,197	—	(687,334)	5,636,863
Development fund	2,000,000	—	—	2,000,000
Project fund	1,743,994	272,315	—	2,016,309
	32,920,191	272,315	(1,076,334)	32,116,172

	At 1 January 2018 £	New designations £	Utilised/ released £	At 31 December 2018 £
Sisters' care and retirement fund	24,414,000	—	(1,562,000)	22,852,000
Residential care and support services fund	6,146,381	177,816	—	6,324,197
Development fund	2,000,000	—	—	2,000,000
Project fund	1,847,919	—	(103,925)	1,743,994
	34,408,300	177,816	(1,665,925)	32,920,191

The funds have been designated for the following purposes:

◆ *Sisters' care and retirement fund*

This fund consists of monies set aside by the Trustees to provide for the future costs of providing nursing and care costs to elderly Sisters and also to provide for Sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 131 Sisters within the British Province.

20 Designated funds (continued)

◆ **Residential, care and support services fund**

This fund represents the net assets (including freehold land and buildings) of the residential and care service establishments operated by the charity.

◆ **Development fund**

This fund represents monies set aside for new initiatives and projects newly established as well as buildings developments at the residential, care and support establishments.

◆ **Project fund**

This fund represents monies set aside for use by particular projects, principally the missionary work of the Sisters overseas.

21 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	At 31 December 2019 Total net assets £
Capital funds					
Endowment funds	—	—	448,991	—	448,991
Income funds					
Restricted funds	—	—	437,812	—	437,812
Unrestricted funds					
. Tangible fixed assets fund	11,833,803	—	—	—	11,833,803
. Programme related investments fund	—	1,322,423	—	—	1,322,423
. Designated funds	4,900,500	26,479,309	818,019	(81,656)	32,116,172
. General fund	—	7,407,492	2,038,072	—	9,445,564
	16,734,303	35,209,224	3,742,894	(81,656)	55,604,765

21 Analysis of net assets between funds (continued)

	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	At 31 December 2018 Total net assets £
Capital funds					
Endowment funds	—	—	448,991	—	448,991
Income funds					
Restricted funds	—	—	388,443	—	388,443
Unrestricted funds					
. Tangible fixed assets fund	13,344,604	—	—	—	13,344,604
. Programme related investments fund	—	682,003	—	—	682,003
. Designated funds	5,308,230	26,567,243	1,171,914	(127,196)	32,920,191
. General fund	—	5,681,950	1,032,530	—	6,714,480
	<u>18,652,834</u>	<u>32,931,196</u>	<u>3,041,878</u>	<u>(127,196)</u>	<u>54,498,712</u>

The total unrealised gains as at 31 December 2019 constitute movements on revaluation and are as follows:

	2019 £	2018 £
Unrealised gains include above on:		
On investments	<u>2,205,048</u>	<u>3,178,790</u>
Reconciliation of movements in unrealised gains:		
At 1 January 2019	<u>3,178,790</u>	5,244,553
In respect to disposals in the year	<u>(3,044,221)</u>	—
Net gains (losses) arising on revaluation	<u>2,070,479</u>	(2,065,763)
At 31 December 2019	<u>2,205,048</u>	<u>3,178,790</u>

22 Related party transactions with connected organisations

A summary of organisations connected to the charity and transactions with the charity are given below:

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust (the Charitable Trust) is connected to The Daughters of Charity of St Vincent de Paul Services (DCSVP Services) (Charity Registration Number 1149326, Company Registration No. 07638065) by virtue of the fact that its Trustees are also the Trustees of the Charitable Trust.

There were no transactions between the two charities during the year.

22 Related party transactions with connected organisations (continued)

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to St Vincent's Family Project (Charity Registration No 1053554) by virtue of the fact that three of the Trustees of the Project who served during the year were Daughters of Charity of St Vincent de Paul, one of which was also Trustee of the Charitable Trust.

On 16 May 2019, the Trustees of the charity notified St Vincent's Family Project that with effect from 31 March 2019 they wished to convert the loan of £25,000 advanced in 2018 into a donation.

During 2019 the charity advanced a further interest free loan of £45,000 to St Vincent's Family Project to assist with cash flow (2018 - £25,000). The loan is repayable on demand and as and when St Vincent's Family Project had sufficient funds.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Vincentian Care Plus Limited (Charity Registration No 1112473, Company Registration No 05321333) by virtue of the fact that Vincentian Care Plus Limited was initiated by the Congregation and the fact that three of the Trustees of Vincentian Care Plus Limited who served during the year were Daughters of Charity of St Vincent de Paul.

During the year the Charitable Trust received £20,000 from Vincentian Care Plus Limited (2018 - £nil) in gratitude for the donations made by the Charity to help with cash flow. Now that Vincentian Care Plus is beginning to generate a surplus, its trustees felt it only appropriate to give back some of the funds that had been donated.

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Out There Supporting Families of Prisoners Limited ('Out There') (Charity Registration No 1120342, Company Registration No 6239170) by virtue of the fact that Out There Supporting Families of Prisoners Limited was initiated by the Congregation and the fact that three of the Trustees of Out There Supporting Families of Prisoners Limited who served during the year were Daughters of Charity of St Vincent de Paul, one of which was also a Trustee of the Charitable Trust.

In 2015, a grant of up to £250,000 from the Charitable Trust to Out There was agreed, to be paid in instalments. During the year the Charitable Trust paid £nil to Out There (2018 - £35,000). At 31 December 2019 the maximum remaining grant payable to Out There was £66,000 (2018 - £66,000).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Vincentian Volunteers (Charity Registration No 1053019) by virtue of the fact that Vincentian Volunteers was initiated by the Congregation and the fact that two Sisters sit on the Board, one of whom is also a Trustee of the Charitable Trust, and a Sister is the Director of Vincentian Volunteers.

During the year the Charitable Trust gave a donation of £5,000 (2018 - £5,000) to the Vincentian Volunteers.

22 Related party transactions with connected organisations (continued)

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to both DePaul UK (Charity Registration No 802384, Company Registration No 2440093) and DePaul International (Charity Registration No 1107385, Company Registration No 5245818). DePaul UK was initiated by the Congregation. DePaul International is now the parent charity of DePaul UK. There are no Trustees of the Charitable Trust sitting on their Boards of Trustees.

There were no transactions between the Charitable Trust and the charity during the year (2018 – none).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to The Passage 2000 (Company Registration No 3885593) by virtue of the fact that The Passage 2000 was initiated by the Congregation. One Sister who sits on the Board of the company is a Daughters of Charity of St Vincent de Paul.

There were no transactions between the Charitable Trust and the charity during the year (2018 – none).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to Vincentians in Partnership (VIP) (formally Vincentians Millennium Partnership) (Charity Registration No 1103442, Company Registration No 4852510) by virtue of the fact that VIP was initiated by the Congregation and works in partnership with other Vincentian organisations. One Sister who sits on the Board of the company is a Daughter of Charity of St Vincent de Paul.

There were no transactions between the Charitable Trust and the charity during the year (2018 – none).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to St Joseph's Services (Charity Registration No SC045482 (Scotland), Company Registration No SC500182 (Scotland)) by virtue of the fact St Joseph's Services was initiated by the Congregation. Three Sisters who sit on the Board of the company are Daughters of Charity of St Vincent de Paul, one was also a Trustee of the Charitable Trust.

As explained in note 13, the charity sold a property to St Joseph's Services, Rosewell during the year for the sum of £333.370 (2018 – no transactions).

- ◆ The Daughters of Charity of St Vincent de Paul Charitable Trust is connected to The Louise Project (Charity Registration No SC047316 (Scotland), Company Registration No SC555365 (Scotland)) by virtue of the fact The Louise Project was initiated by the Congregation. Two Sisters who sit on the Board of the company are Daughters of Charity of St Vincent de Paul, one was also a Trustee of the Charitable Trust.

There were no transactions between the Charitable Trust and the charity during the year (2018 – none).

23 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of Charity of St Vincent de Paul, British Province by virtue of the fact that the Sister Provincial of the Province appoints the Trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the British Province are vested in the Trustees of the charity, who undertake all transactions in the course of the Province's charitable activities.

24 Leasing commitments

Operating leases

At 31 December 2019, the Charity had the following future minimum commitments under non-cancellable operating leases in respect to equipment and motor vehicles:

Amounts falling due:	2019 £	2018 £
. Within one year	38,800	49,118
. After one but within five years	148,960	67,800
Total	187,760	116,918

Finance leases

At 31 December 2019, the charity had the following future minimum commitments under finance leases in respect to furniture and equipment:

Amounts falling due:	2019 £	2018 £
. Within one year	56,621	56,621
. After one but within five years	99,806	156,427
	156,427	213,048
Amounts representing interest	(29,231)	(40,312)
Total	127,196	172,736
Summary		
Amounts repayable within one year (note 15a)	45,540	45,540
Amounts repayable after one year (note 15b)	81,656	127,196
	127,196	172,736

25 Contingent liability in respect to alleged historic abuse

As explained in the Trustees' report, The National Inquiry into Historical Abuse commissioned by Scottish Ministers under the Inquiries Act 2005 in Scotland has held hearings in relation to two of the Congregation's former homes in Scotland.

25 Contingent liability in respect to alleged historic abuse (continued)

The Scottish Government is now in the process of drafting and debating a Bill which, when enacted, will establish a Redress Scheme which was first proposed in a speech by Deputy First Minister John Swinney on 23 October 2018. Alongside other providers of care in Scotland (both past and present), the Daughters of Charity of St Vincent de Paul will be invited to contribute towards the funding of the payments to be met by the Scheme. A decision by the Daughters will be made once there is greater clarity on the Scheme, its operation, approach and financing. However, any such contribution would be made from the assets of the charity. Key principles regarding the Scheme are still being discussed and so significant uncertainty exists over the amount of any such contribution, although it is likely to be measured at several million pounds.

In addition to possible contributions to the Redress Scheme in Scotland, at the date of signing this report, the charity has received a number of specific claims in respect to alleged historic abuse. The Congregation continues to receive correspondence from new individuals and continues to address each claim or subject access request proactively from receipt. In a limited number of the claims received to date, it has been possible to retrieve records and progress investigations as far as possible given the limitations on available evidence. During the year to 31 December 2019 four such cases were settled without litigation, with the express approval in advance of the Trustees and after close consideration of legal advice, on the basis of an economic analysis, without admission of liability. While one claim was litigated during the period to 31 December 2019, the matter remains at an early procedural stage where the pursuer has not been required to disclose evidence on value, or make a Statement of Valuation, and there is no date scheduled for evidence to be heard on any of these issues, therefore no provision has been made in these accounts for the future settlement or cost relating to this or other intimated claims given the inevitable uncertainties that exist whilst investigations are progressed.

26 Post balance sheet event

Since the year end the Trustees have agreed that the activities of Marillac Neurological Care Centre will be transferred to a new independent charitable company with effect from 31 March 2021 together with certain assets and liabilities integral to the work of the Centre. The new independent charitable company will be a subsidiary of The Daughters of Charity of St Vincent de Paul Services (DCSVP Services) (Charity Registration Number 1149326, Company Registration No. 07638065).