

**Sisters of Christian  
Education CIO**

**Annual Report and Accounts**

31 July 2022

Charity Registration Number 1177158

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**Reference and administrative information** 31 July 2022

<b>Trustees</b>	Sister Mary Dawson RCE (resigned 20 February 2023) Sister Elizabeth McCormack RCE Sister Cara Nagle RCE Sister Rosemary O'Looney RCE Cdr Anthony John Woolston (CDipAF)
<b>Congregational Leader</b>	Sister Cara Nagle RCE
<b>Delegate Bursar</b>	Sister Elizabeth McCormack RCE
<b>Principal address</b>	2 Woodland Crescent Farnborough Hampshire GU14 8BF
<b>Charity registration number</b>	1177158
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	National Westminster Bank plc Farnborough Branch 31-37 Victoria Road Farnborough Hampshire GU14 7NR
<b>Investment managers</b>	Charles Stanley & Co Limited 25 Luke Street London EC2A 4AR  Investec Wealth & Investment Limited 2 Gresham Street London EC2 7QP

**Reference and administrative information** 31 July 2022

**Solicitors** Stone King LLP  
Upper Borough Court  
Upper Borough Walls  
Bath  
BA1 1RG

**Property consultants** Savills plc  
244-246 High Street  
Guildford  
GU1 3JF

## **Trustees' report 31 July 2022**

The trustees present their report together with the accounts of the Sisters of Christian Education CIO (the “charity” or the “CIO”) for the year to 31 July 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 30 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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 Sisters of Christian Educational CIO is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission (Charity Registration Number 1177158) and governed by a Constitution dated 14 February 2018.

### **Principal activities, objectives and aims**

The Institute of Christian Education (the Institute) is a Roman Catholic Religious Institute founded in Échauffour, Normandy in 1817. The Institute is international, operating in England, Ireland, France and America. The Generalate is now based in Dublin, Ireland (previously in Paris). The Institute is governed by its own constitution.

The assets of the Institute in United Kingdom were, until 31 July 2019, held by the unincorporated charity Educating Children In The Roman Catholic Faith Administered in Connection With the Institute Of Christian Education And Other Roman Catholic Purposes, commonly known as the Institute of Christian Education Charitable Trust (Charity Registration Number 244663) (the “charitable trust”).

The CIO was set up to continue the religious and certain educational work of the charitable trust. With effect from 1 August 2019 certain assets, liabilities and activities of the unincorporated charity were transferred to the CIO.

The objects of the CIO are the advancement of the Roman Catholic religion through the religious and other charitable work of the Institute, and aiding or promoting the advancement of the education of children in accordance with the principles and doctrines of the Roman Catholic religion, in particular by, but not limited to, the support of schools and other educational establishments that are conducted in accordance with the principles and subject to the regulations and discipline of the Roman Catholic Church, as the trustees with the approval of the Congregational Leader shall from time to time think fit.

### **Mission**

By caring for individual members of the Institute throughout their lives with the Institute, the charity aims to enable and support the sisters to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works.

The religious and charitable works of individual members of the Institute can be divided into the following principal areas: education, worship and prayer, the social and pastoral work of the sisters and the support of overseas missionary work.

**Mission** (continued)

The trustees of the charity aim to support all charitable, social and pastoral works being carried out by members of the Institute. These ministries carried out by the sisters all benefit members of the public.

**Public benefit**

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit in reviewing the charity's aims, objectives and future plans. Details of how the charity fulfils this responsibility are given above and in the activities and objectives section below.

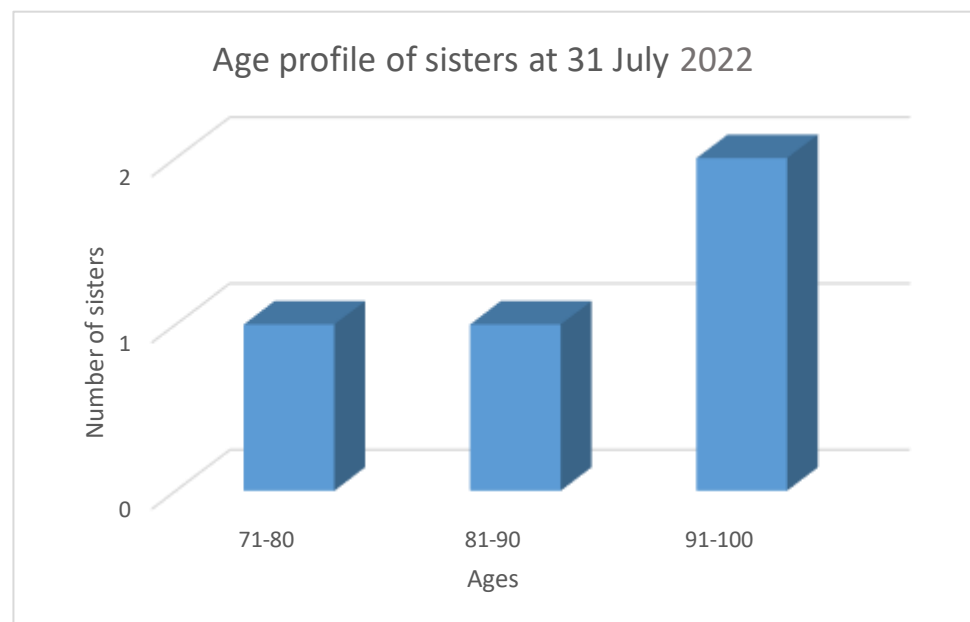
**Activities and objectives**

**An overview of activities**

The aims of the charity are to care for individual members of the Institute throughout their lives with the Institute and so enable and support them to live out their faith and to put that faith into practice through the financial support of a wide variety of religious and other charitable works.

**1. Caring for members of the Institute**

In common with many religious institutes in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and the number of new vocations becomes minimal.



**Activities and objectives** (continued)

***An overview of activities*** (continued)

**1. *Caring for members of the Institute*** (continued)

The Institute has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the education of the young, the care of the elderly, poor and marginalised in society. As the age profile of the Institute increases, so too does the need to provide increasing and increasingly expensive care to the sisters. At present three of the members of the Institute are receiving care in nursing homes. The trustees are giving careful consideration to the impact of this on the work of individual members of the Institute, the property requirements of the Institute and the financial implications. In this regard, the objectives of the trustees of the charity over the current year are summarised below. All of these objectives will continue to be applicable for the next few years also.

- ◆ Ensuring all members of the Institute receive the high level of care they require to provide them with the quality of life they have a right to expect;
- ◆ Reviewing the properties used as community houses and assessing their suitability as homes for the elderly and frail. Progress has been made on the sale of two properties in Farnborough and it is hoped that, following the exchange of contracts in March 2023, completion (which is subject to planning permission being granted) will be achieved within the next two years.
- ◆ Enabling all members of the Institute to continue with their individual ministries for as long as possible.

**2. *Enabling and supporting members in a variety of religious and charitable works***

The religious and charitable works of individual members of the Institute can be divided into the following principal areas: education, worship and prayer, the social and pastoral work of the sisters and the support of overseas missionary work. Due to the small number of members, most of this work is now carried on through financial support for projects that are in line with the objects of the charity. The areas supported include:

- ◆ Education
- ◆ Programmes to help recovery from addiction and homeless
- ◆ Programmes for the rehabilitation of refugees and those affected by human trafficking
- ◆ Overseas development programmes
- ◆ Skills development and art/music therapy sessions for people with disabilities

Covid-19 restrictions did impede some of the charitable work over the past three years. However, the provision of financial aid was still possible.

**Activities and objectives** (continued)

**An overview of activities** (continued)

**2. Enabling and supporting members in a variety of religious and charitable works**  
(continued)

*Education*

The charity has continued to support the education of young sisters and brothers as well as other students.

To celebrate our bicentenary in 2017 the charity joined the Friends and Benefactors of the Centre for Catholic Studies at Durham University by funding scholarships. Students who would not otherwise be able to afford doctoral and postgraduate studies in theology and philosophy benefitted as a result. The money donated is used for tuition and maintenance fees. To date four students have completed masters degrees and two completed doctoral studies. At present five students are being supported towards their doctoral programmes.

*"Thank you for your extremely generous cheque for £20,000, towards the formation and training of our young Sisters. Your continuing support for our Sisters' training is invaluable and certainly goes a long way towards easing many of my worries in the regard."*  
Benedictine Sisters of Grace and Compassion

The Little Way Association writes *"The covid pandemic has presented The Little Way Association with an unprecedented challenge. Many aid projects have been adversely affected and restrictions on movement and contact with other people have made day to day life very difficult. Thousands of families face destitution and the number of people needing physical and spiritual help has increased beyond imagining. More than ever, missionaries ask us to support their work of spreading the Gospel and helping the needy. We are currently helping the church in Ukraine."*

*"As an organisation, we greatly appreciate all our supporters and the valuable contribution they make, whether that is prayerfully, practically, or financially. Much of our work is only made possible thanks to individuals, organisations and religious communities. Your support will help equip modern slavery survivors with the skills they need to recover from their past and rebuild their future, so thank you on behalf of the Trust and the survivors you're helping."* Medaille Trust

*"Thank you for your very generous support. It helps us to continue our mission work and our crusade of assistance to the poor and the needy youngsters."* Salesians in India

*Worship and prayer*

Members of the Institute are given the opportunity for private worship and public worship and to continue to develop their knowledge and trust in Jesus Christ and the Church through quiet prayer, study of the Gospel and spiritual development. Members of the Institute celebrate and pray with the wider community including people of all faiths and none. A sister is available to listen to people in times of need and pray with the housebound. They support the Farnborough Hill School community by regular attendance at school Liturgical celebrations.



**Activities and objectives** (continued)

**An overview of activities** (continued)

**2. Enabling and supporting members in a variety of religious and charitable works**  
(continued)

**Worship and prayer** (continued)

The following is an extract from the Sisters' Constitution on the section on Prayer:

*'Prayer is an expression of our central relationship with God and with others. Each one is responsible for the nourishment of her faith through meditating the Scriptures, studying the teachings of the Church and spiritual reading.*

*Ecumenical exchanges invite us to widen our prayer and reflection.'*

**Social and pastoral work**

A member of the Institute is involved in some forms of social or pastoral work in Farnborough:

- ◆ Supporting in the local parish
- ◆ Visiting some elderly, some housebound, the bereaved and those who need encouragement and support.
- ◆ Pastoral care/visiting hospitals and nursing homes.

**Volunteer**

One member is involved in administering the work of the Institute and charity - without this contribution the charity would not be able to function as effectively or fully as it does.

Details of the areas in which one member gives some of her time are shown in the table below. Due to the Covid 19 pandemic some activities were limited over the past three years. However, some restrictions were overcome with the use of social media.

**Area**

---

Education  
General Parish support  
Hospital visiting  
Housebound visiting  
Working with other groups/ organisations  
Administration

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There are a total of 4 sisters in England during the year, of which three are resident in nursing homes.

## **Financial review**

### ***Results for the year***

A summary of the charity's results for the year can be found on page 23 of this report and accounts.

During the year to 31 July 2022, income amounted to £276,866 (2021 - £294,606). Of the income, a total of £92,560 (2021 - £93,306) was received by way of donations representing salaries and pensions of the sisters covenanted to the charity. Investment income and interest receivable totalled £183,422 (2021 - £201,200).

Expenditure for the charity totalled £570,963 (2021 - £556,162). Expenditure incurred on supporting the members of the Institute and their pastoral work and ministry amounted to £284,490 (2021 - £281,560). Grants and donations amounted to £240,369 (2021 - £229,115). Further details of grants and donations are provided in note 4 to the accounts. Expenditure on investment management fees was £46,104 (2021 - £45,487).

Net expenditure of the charity before investment gains was £294,097 (2021 - £261,556). Investment losses for the year amounted to £580,679 (2021 - gains of £1,139,526), resulting in net expenditure and a net decrease in funds of £874,776 (2021 - net increase of £877,970).

### ***Investment performance***

The investment managers continue to be guided by the trustees' investment policy set out on page 15 of this report and comply with the ethical guidelines given to them.

Due to current macroeconomic and geopolitical climate the value of the portfolio decreased during the year but the overall performance was consistent with that of markets generally. Total investment income from listed investments was £183,422 (2021 - £201,200).

The trustees continue to take a long-term view and believe their investment policy continues to be applied and remains appropriate.

### ***Reserves policy and financial position***

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to generate enough income to cover approximately one year's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the current macroeconomic and geopolitical climate.

At the date of the balance sheet, the trustees consider that the level of free reserves were adequate but not excessive given the inherent volatility on world stock markets at the current time and given the discernment process being undertaken in respect to future property needs.

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

The charity's balance sheet shows that at 31 July 2022 funds totalled £7,741,037 (2021 - £8,615,813). Of this £273,133 (2021: £273,411) is represented by tangible fixed assets used to support the work of the sisters and, therefore, cannot be easily realised if needed to meet future contingencies.

A further £2.17 million (2021: £2 million) represents a retirement reserve designated to provide an income to maintain the sisters as they grow older. A further £4,830,000 has been designated as an Education Fund. Further details of designated funds are given in note 15 to the accounts.

Therefore, reserves which are available to support the sisters and their work in the future are shown on the balance sheet as general funds and amount to £467,904 (2021: £442,402). This figure needs to be considered in the light of annual expenditure of approximately £560,000, the increasing age profile of the sisters and the need for the charity to continue to support the work of the Institute, both in this country and overseas.

The sisters are also aware of the importance to the charity of the investment assets and the income generated therefrom. There is a real need to retain monies to enable the long-term financial stability of the charity. The trustees consider that the level of free reserves of the charity is adequate but not excessive and will enable them to pursue successfully their charitable objectives.

***Tax exemptions etc.***

The beneficiaries of the work of the charity have the assurance that all of the income of the charity must be applied for charitable purposes in furtherance of their objects. The charity enjoys tax exemption on income and gains provided these are applied for its charitable aims. The charity is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes, and a 50% reduction in Council Tax for its properties that are occupied by members of the Institute. The financial benefits received as a result of these exemptions are all applied for the purposes of furthering the Roman Catholic faith by enabling and supporting the sisters to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works.

The nature of activities means that the charity is unable to reclaim VAT input tax on its costs as it is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes.

***Fixed assets***

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

**Future plans and post balance sheet events**

The trustees plan that the work of the charity will continue without any significant change in the short term.

**Future plans and post balance sheet events** (continued)

It is the intention of the trustees of the charity to continue to respond to the needs of the times and fulfil public benefit and to meet the objectives of caring for members of the Institute and to support the charitable work of the sisters for the foreseeable future.

Therefore, the objectives of the trustees of the charity include:

- ◆ Ensuring all members of the Institute receive the high level of care they require to provide them with the quality of life they have a right to expect;
- ◆ Enabling all members of the Institute to continue with their individual ministries, as far as they are able, given their limitations of age and health; and
- ◆ Reviewing the properties used as community houses and assessing their suitability as homes for the elderly and frail. Progress has been made on the sale of two properties in Farnborough and it is hoped that, following the exchange of contracts in March 2023, completion (which is subject to planning permission being granted) will be achieved within the next two years.

**Governance, structure and management, and relevant policies**

**Governance**

In terms of Canon Law, the Institute of Christian Education is governed by its own constitution, under the direction of the Institute Leader who is based at the central office in Ireland and the General Council, members of which are based in England and France. The Leadership Team is elected every five years at a General Chapter, i.e., a meeting of elected delegates representing all the sisters worldwide. The Province of England and Ireland was suppressed at a General Chapter in June 2022. The General Council appointed a delegate for England and a delegate bursar given her understanding, experience and knowledge of the needs of England. The Institute Leader and her Council regularly visit the sisters in England.

The charity is a Charitable Incorporated Organisation (CIO), governed by a Constitution and registered with the Charity Commission on 14 February 2018.

The Institute Leader for the time being is automatically, by virtue of holding that office, ex-officio the sole member of the charity for as long as she holds office. If the charity is wound up, the member of the charity has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The names of the current trustees are given on page 1 of this document. At any time, there must be a minimum of three trustees. The Institute Leader for the time being is automatically, ex-officio, a trustee for as long as she holds that office. All other trustees are appointed by a resolution in writing by the Institute Leader. Trustees are appointed for a term of three years.

In selecting individuals for appointment, the Institute Leader will have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

**Governance, structure and management, and relevant policies** (continued)

**Governance** (continued)

Three of the current trustees have been vowed members of the Institute for over 40 years. All of them have served the Institute in various capacities in education (secondary and adult, special needs, catechetics and family support); legal affairs; social care; and assisting homeless people, refugees and asylum seekers. These trustees have been in senior administrative roles in the Institute. They are fully aware of everything pertaining to the charity and are responsible for organising personal development opportunities, assemblies and meetings where all the important decisions for the charity are made.

The fourth trustee, a lay person, has been associated with the sisters for several years and has provided professional support to the community in the past.

On being appointed, new trustees undergo induction and training in the roles and responsibilities of their office. Every year some trustees attend training courses necessary to keep themselves updated with new legislation governing trustees. During the year, the following sessions were attended:

- ◆ Trustee training and webinars with selected investment managers
- ◆ All trustees attended the audit clearance meeting at Buzzacott LLP, which included an input on trustee responsibilities
- ◆ Retreats
- ◆ Webinars on Health and Spiritual Care of Elderly Sisters organised by UISG
- ◆ Meeting of Religious Orders involved in Education
- ◆ Safeguarding training, including RLSS sessions
- ◆ Religious Bursars' Conference
- ◆ Conference of Religious meeting and AGM
- ◆ Webinars on Ecology and Laudato Si and Fratelli Tutti
- ◆ Lectures on divesting from fossil fuels
- ◆ Self Audit Training for Communities and Church bodies
- ◆ Webinars on ethical investing and the impact of Covid-19 on investments
- ◆ Meetings and Discussions with investment managers

The trustees try to ensure that important information is shared not just among trustees but throughout the charity.

An important meeting each year is when the trustees meet with the auditor to discuss the annual report and accounts. All the trustees attend this meeting if at all possible as well as the person responsible for meeting with investment managers. The meeting is of great benefit to the trustees and every effort is made to implement the advice and comments of the auditor.

**Governance, structure and management, and relevant policies** (continued)

**Governance** (continued)

Three of the current trustees are members of the Institute and as such their living and personal costs during the year were borne by the charity. The trustees receive neither remuneration nor reimbursement of expenses in connection with their duties as trustees or key management personnel.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees in office at the date on which this report was approved are given below.

◆ *Sister Elizabeth McCormack*

Sister Elizabeth McCormack became a member of the Congregation in 1964. Having completed training as a teacher at Southampton University, she became a member of the community and teaching staff in Farnborough Hill (an independent Roman Catholic day school for girls age 11 – 18 years). She taught History and Religious Studies for eighteen years and held the position as Head of the school from 1988-1996. Following this, she retrained in Pastoral Counselling at Loyola University, Chicago. On her return to England she was appointed manager of Kairos Community Trust, Peckham. She served in this role for twelve years working with the homeless and those suffering from addictions. She has maintained strong links with Farnborough Hill and has served as a Governor and Chair of Governors for several years. All these past experiences of training, leadership and management are invaluable in her current role as a trustee of the charity and as a member of the General Leadership Team. At the General Chapter of 2022 she was re-elected a member of the General Council and was appointed delegate and delegate bursar for England.

◆ *Sister Cara Nagle*

Sister Cara Nagle became a member of the Institute in 1976 having completed studies as a civil lawyer in University College, Cork. She subsequently trained as a teacher of English and Religious Studies. She taught for nine years in Our Lady's School, Dublin, for secondary students. She served as Provincial of the Anglo-Irish Province from 1990 to 1998. Following this, she re-trained in Pastoral Ministry and worked as a hospital chaplain. She was elected Congregational Leader in 2003 serving ten years in this role. These past experiences provide a significant background to her current roles as Provincial Bursar for the Anglo-Irish Province and as a trustee of the charity. She served eight years as Provincial Bursar. At the General Chapter of 2022 she was re-elected as Congregational Leader.

**Governance, structure and management, and relevant policies** (continued)

***Governance*** (continued)

◆ *Sister Rosemary O'Looney*

Sister Rosemary O'Looney became a member of the Institute in 1966. She completed Teacher Training in 1971 at Roehampton University, London. She taught in Dublin from 1971-1974 and was acting Head of a School from 1973-1974. In 1974 she was appointed Head of a Boarding School for girls in Co. Wicklow, Ireland, and held this position until the school closed in 2005. She has held various roles of Leadership and was Provincial of the Anglo-Irish Province until it was suppressed at the General Chapter of June 2022. Sister Rosemary O'Looney ceased her mandate as Provincial in October 2022 when she was appointed delegate for Ireland. She was appointed and accepted to be Trustee at this time as she was no longer ex officio. All of this experience is enormously beneficial to her current role as a trustee of the charity.

◆ *Cdr Anthony Woolston*

Anthony Woolston retired as a Commander, Royal Navy in 2000 after 32 years' service, having attained an ACCA Certified Diploma in Accountancy and Finance (CDipAF) the year before. He successfully applied for the post of School Bursar at Farnborough Hill and was appointed in December 2000. He served in that position for 14 years before retiring for a second time. During the period that the charitable trust was engaged in a project with a view to develop a retirement facility, he acted as Company Secretary and a Director of the charity's subsidiary company. He accepted the offer to become a Trustee of the charity on 26 May 2018.

***Key management personnel***

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

Three of the current trustees are members of the Institute and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Institute, have been borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as a trustee.

***Structure and management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity. They have met regularly to review developments with regard to the charity or its activities and make any important decisions. They have been assisted in their tasks by professional advisers who have provided advice and support in areas of property, investments, accounting and legal matters. There is a lay person who has been responsible for finance and secretarial matters. The lay secretary possesses no executive authority.

At least three trustee meetings are normally held in a year. All trustees endeavour to meet annually with the auditor and investment managers.

**Governance, structure and management, and relevant policies** (continued)

***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 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 of the income and expenditure of the charity 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 of Accounting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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 are sufficient to show and explain the charity's transactions with reasonable accuracy and disclose at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations 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.

***Risk management***

The trustees recognise their responsibility for the management of risks faced by the charity and the sisters. The Covid pandemic had and continues to clearly present us with challenges and threats to the well-being of our charity and its activities which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity and the sisters.

Four designated areas have been identified and delegated to various trustees. These areas are: governance and strategic risk; environmental; operational; and financial. The trustees work to develop and to put in place a policy which understands the risks the charity faces and that seeks to learn to adapt to meet new challenges.

The trustees are satisfied that systems are in place to mitigate any exposure to the major risks.



**Governance, structure and management, and relevant policies** (continued)

***Risk management*** (continued)

The main long-term risk facing the charity is that it may not be able to meet all of the costs of caring for sick and/or elderly sisters. This, in general, is not a risk that can be avoided. Prudent management of funds will be exercised, and properties may provide a potential source of funding should activities contract in the long term. This risk becomes more acute as the sisters become more dependent. The trustees review the finances and personnel regularly and have concluded that a level of funding of £2,170,000 to care for elderly sisters set aside as a designated fund is appropriate. This allows the trustees to plan the finances for the required care for the sisters.

As with all organisations serving in the community, the trustees recognise the necessity of ensuring the protection and safety of all those the charity serves. Therefore, a sister has been appointed to implement within the charity, the policies and procedures of the Catholic Safeguarding Standards Agency, (a new organisation set up by the Catholic Church in England and Wales to oversee the protection of children and vulnerable adults in all Catholic Institutions and organisations). This sister regularly attends sessions to keep herself updated. Where it applies, sisters, employees and volunteers have had clearance from the Disclosure and Barring Service. Trustees and staff are updated on developments within the CSSA.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charity is a long-term investor. As such, the charity will be able to wait for markets to recover over time whilst the trustees keep a watching brief.

During each year the trustees coordinate an updated review of risk including matters of health and safety and risk assessment. This is done in conjunction with the health and safety advice from the charity's insurance brokers. The results are communicated to the sisters and staff.

***Investment policy***

The charity has discretionary investment management agreements with Investec Wealth & Investment Limited and Charles Stanley & Co Limited.

The trustees receive a report and valuation every three months and meet at least once a year with each of the investment managers. They ensure that each portfolio is managed in accordance with their written guidelines and with the religious and ethical principles of the charity. Acceptable investments, mostly equities, are chosen so that through the relevant companies' activities people's lives will be enhanced, natural resources will be used responsibly and all of creation will be respected.

## **Governance, structure and management, and relevant policies** (continued)

### ***Investment policy*** (continued)

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

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

### ***Grants, donations and support of missionary work and ministry***

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 Institute as appropriate.

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

### ***Fundraising policy***

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The trustees take care with both the tone of communications and the accuracy of data to minimise the pressures on supporters. They apply best practice to protect supporters' data and never sell data, never swap data and ensure that communication preferences can be changed at any time. They manage their own fundraising activities and do not employ the services of professional fundraisers. They undertake to react to and investigate any complaints regarding fundraising activities and to learn from them and so improve service. During the year, the charity received no complaints about its fundraising activities.

### ***Working with other organisations***

The charity has worked closely with a number of other charities and public bodies which work in the field of providing education and providing care to the vulnerable and those requiring support. In some instances sisters are, or have been, employed by these organisations; whilst in other instances the relationships are more informal. In all cases, working together with other charities and public bodies has enhanced communication and understanding thus enabling services to the elderly and other people to be provided more efficiently and effectively and avoiding duplication of effort. Examples of the organisations for which members have supported and with which the charity has cooperated during the year are as follows:

- ◆ Medaille Trust – to help equipping survivors with new skills to recover from trafficking
- ◆ St Michael's Abbey – to help train young monks
- ◆ Aisling Project – to help rehabilitate homeless individuals connect with their roots and families

**Governance, structure and management, and relevant policies (continued)**

***Working with other organisations*** (continued)

- ◆ The Little Way Association – training of young sisters and aid projects
- ◆ The Mumbai Salesians Society (via Salesians, Thornleigh House, Bolton) - helping educate vulnerable young people
- ◆ St Barnabas Society – to provide support and training for Anglican priests who become members of the Catholic Church
- ◆ Benedictine Sisters of Our Lady of Grace and Compassion – to help train young sisters
- ◆ Community Kairos Trust – to provide recovery programmes for people with addictions
- ◆ Missio – support to provide aid projects
- ◆ Cafod -- to help create programmes to provide education for farmers to look after their land in a way that is sustainable, supportive to become independent and live in harmony with the earth
- ◆ Parity for Disability – to help provide education and social programmes for young people with disability
- ◆ Jesuit Refugee Service – help to provide refugees and asylum seekers with programmes to help them find the support they need.

**Employees, volunteers, and members of the Institute**

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

Approved by the trustees and signed on their behalf by:

Sister Elizabeth McCormack RCE

Trustee

Approved by the trustees on: 2<sup>nd</sup> May 2023

**Independent auditor's report to the trustees of the Sisters of Christian Education CIO**

**Opinion**

We have audited the accounts of the Sisters of Christian Education CIO (the charity) for the year ended 31 July 2022 which comprise the 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 July 2022 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.

**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**

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorized for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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 accounting records have not been kept; or
- ◆ the charity's accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the accounts**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; 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); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and the review of minutes of meetings of the trustees.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of the trustees as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the accounts** (continued)

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorization thereof;
- ◆ Gained an understanding of the processes in place for the management of the charity's investments and confirmed the validity of investment movements; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Reviewing the minutes of meetings of trustees;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report 31 July 2022**

### **Use of our report**

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

4 May 2023

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 July 2022

	Notes	2022 £	2021 £
<b>Income from:</b>			
Donations	1	92,560	93,306
Investments and interest receivable	2	183,422	201,200
Other sources			
. Surplus on disposal of tangible fixed assets		305	—
. Miscellaneous income		579	100
<b>Total income</b>		<b>276,866</b>	<b>294,606</b>
<b>Expenditure on:</b>			
Raising funds			
. Investment management fees		46,104	45,487
Charitable activities			
. Support of members of the Institute and their ministry	3	284,490	281,560
. Grants and donations	4	240,369	229,115
<b>Total expenditure</b>		<b>570,963</b>	<b>556,162</b>
<b>Net expenditure for the year before net investment (losses) gains</b>	6	<b>(294,097)</b>	<b>(261,556)</b>
<b>Net investment (losses) gains</b>	10	<b>(580,679)</b>	<b>1,139,526</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(874,776)</b>	<b>877,970</b>
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 1 August 2021		8,615,813	7,737,843
Fund balances carried forward at 31 July 2022		7,741,037	8,615,813

All income and expenditure of the charity is in respect to unrestricted funds.

All of the charity's activities derived from continuing operations during both the above financial years.

All recognised gains and losses are included in the statement of financial activities.

## Balance sheet 31 July 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	9		273,133		273,411
Investments	10		7,332,235		8,205,109
			<u>7,605,368</u>		<u>8,478,520</u>
<b>Current assets</b>					
Debtors	11	65,561		99,735	
Cash at bank and in hand		<u>151,858</u>		<u>223,286</u>	
		<u>217,419</u>		<u>323,021</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(81,750)</u>		<u>(165,728)</u>	
<b>Net current assets</b>			<u>135,669</u>		<u>157,293</u>
<b>Total assets less current liabilities</b>			<u>7,741,037</u>		<u>8,635,813</u>
<b>Creditors:</b> amounts falling due after one year	13		<u>—</u>		<u>(20,000)</u>
<b>Total net assets</b>			<u>7,741,037</u>		<u>8,615,813</u>
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
Unrestricted funds					
. Tangible fixed assets fund	14		273,133		273,411
. Designated funds	15		7,000,000		7,900,000
. General funds			<u>467,904</u>		<u>442,402</u>
			<u>7,741,037</u>		<u>8,615,813</u>

Approved by the trustees and signed on their behalf by:

Sister Elizabeth McCormack RCE

Trustee

Approved on: 2<sup>nd</sup> May 2023

## Statement of cash flows Year to 31 July 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(594,724)</b>	(486,354)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>230,796</b>	152,441
Surplus on the disposal of tangible fixed assets		<b>305</b>	—
Proceeds from the disposal of investments		<b>1,859,086</b>	1,785,754
Purchase of investments		<b>(1,047,885)</b>	(1,906,357)
<b>Net cash provided by investing activities</b>		<b>1,042,302</b>	31,838
<b>Change in cash and cash equivalents in the year</b>		<b>447,578</b>	(454,516)
<b>Cash and cash equivalents at 1 August 2021</b>	B	<b>305,121</b>	759,637
<b>Cash and cash equivalents at 31 July 2022</b>	B	<b>752,699</b>	305,121

Notes to the statement of cash flows for the year to 31 July 2022.

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

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(874,776)</b>	877,970
<b>Adjustments for:</b>		
Depreciation charge	<b>278</b>	370
Surplus on the disposal of tangible fixed assets	<b>(305)</b>	—
Investment losses (gains)	<b>580,679</b>	(1,139,526)
Investment income and interest receivable	<b>(183,422)</b>	(201,200)
Increase in debtors	<b>(13,200)</b>	(20,484)
Decrease in creditors	<b>(103,978)</b>	(3,484)
<b>Net cash used in operating activities</b>	<b>(594,724)</b>	(486,354)

### B Analysis of changes in cash and cash equivalents

	At 1 August 2021	Cash flows	At 31 July 2022
Cash at bank and in hand	223,286	(71,428)	<b>151,858</b>
Cash held by investment managers	81,835	519,006	<b>600,841</b>
<b>Total cash and cash equivalents</b>	<b>305,121</b>	<b>447,578</b>	<b>752,699</b>

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

## **Principal accounting policies 31 July 2022**

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 July 2022 with the comparatives for the year to 31 July 2021.

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) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ the assumptions applied in determining the size of the retirement reserve, created in order to provide for the continuing care of the members of the Institute;
- ◆ determining the assumptions adopted by the trustees in determining the value of any other designations required from the charity's general unrestricted funds; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

### **Assessment of going concern**

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

The trustees acknowledge and recognise the residual impact of the Covid-19 pandemic on the charity and the impact of the current macroeconomic and geopolitical climate and have concluded that there may be some negative consequences such as the volatility in investment values and any consequential impact on investment income. However, the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**Assessment of going concern (continued)**

In terms of expenditure, it is anticipated that there may be a rise in living expenses due to rise in cost of living and the costs of nursing care of the elderly sisters. The trustees will continue to keep both income and expenditure under review but do not anticipate that the impact on the charity's finances will be material or impact on the charity's going concern.

With regard to the next accounting period, the year ending 31 July 2023, 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 market. This is particularly relevant at the current time given the volatility on world stock markets (see the investment policy and the risk management sections of the trustees' report for more information).

**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, investment income and interest receivable and other income.

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.

Dividends are 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 from other sources 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. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible.

## Principal accounting policies 31 July 2022

### **Expenditure recognition (continued)**

Expenditure on raising funds comprises investment management fees incurred by the charity.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities and includes:

- ◆ Expenditure on the support of members of the Institute. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the relief of poverty and supporting the other charitable activities of members of the Institute.
- ◆ Grants and donations to support the Institute's own work overseas and to support other charitable organisations with objectives consistent with those of the charity 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 donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

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.

All expenditure on support and governance is allocated to charitable activities of care of members of the Institute as any such costs in relation to the provision of donations and grants is considered minimal.

### **Tangible fixed assets**

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

- ◆ Freehold land and buildings  
Freehold land and buildings are included on the balance sheet at cost.

Freehold land and buildings comprise buildings designed as, and used wholly or mainly for, private residential accommodation. Such buildings 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.

**Tangible fixed assets** (continued)

◆ **Furniture and equipment**

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated at 25% per annum, based on the estimated useful life of the asset, on a reducing balance basis.

◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated at 25% per annum, on a reducing balance basis, in order to write off the cost of each vehicle over its estimated useful life.

An impairment review in respect to a particular class of asset is carried out if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

**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.

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

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

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the 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.

**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.

**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 accounting**

The charity's funds comprise a number of unrestricted income funds which are available for application towards the charity's objectives. Within unrestricted funds the trustees have designated certain amounts for specific purposes and have identified those non-liquid funds represented by tangible fixed assets. Details of these funds are given in notes 14 and 15 to the accounts.

**Services provided by members of the Institute**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Institute.

**Pensions**

The charity contributes to a personal pension plan of an employee and contributions are charged to the statement of financial activities in the year in which they are payable to the plan.



## Notes to the accounts 31 July 2022

### 1 Income from: Donations

	2022 £	2021 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	92,560	93,056
Other donations	—	250
	<b>92,560</b>	<b>93,306</b>

### 2 Income from: Investments and interest receivable

	2022 £	2021 £
Income from listed investments		
. UK equities	58,192	94,340
. Overseas equities	34,657	29,090
. UK fixed interest securities	63,545	47,528
. Overseas fixed interest securities	1,377	464
. Alternatives	25,612	29,778
	<b>183,383</b>	<b>201,200</b>
Interest receivable		
. Interest on bank and short-term deposits	39	—
	<b>183,422</b>	<b>201,200</b>

### 3 Expenditure on: Support of members of the Institute and their ministry

	2022 £	2021 £
Staff costs (note 7)	33,778	32,894
Premises	51,005	57,932
Sisters' living and personal expenses	15,957	19,573
Support of aged sisters in nursing homes	129,638	123,890
Motor and travelling expenses	5,886	3,677
Depreciation	278	370
Education, training and spiritual renewal	7,068	4,368
Care of cemetery and funeral expenses	4,541	—
Medical expenses	2,232	1,469
Support costs		
. Legal and professional fees	6,091	6,497
. Other support costs	10,766	11,799
. Governance costs (note 5)	17,250	19,091
	<b>284,490</b>	<b>281,560</b>

#### 4 Expenditure on: Grants and donations

The charity makes grants and donations, principally in support of the advancement of education and other charitable causes which further the Christian faith and address social problems.

	2022 £	2021 £
Louis Lafosse Educational CIO (note 17)		
. to provide support to the educational work of the charity	130,000	60,000
Benedictine Sisters of Our Lady of Grace and Compassion		
. to provide support to novitiates	20,000	20,000
Farnborough Abbey		
. to support the education of new members	30,000	30,000
The Aisling Project		
. to support their charitable activities	10,000	10,000
Catholic Agency for Overseas Development (CAFOD)		
. to support their charitable activities	5,000	5,000
Jesuit Refugee Centre		
. to support their charitable activities	10,000	10,000
Kairos Community Trust		
. to support efforts to address homelessness and addiction	10,000	10,000
The Little Way Association		
. to support their charitable activities	5,000	5,000
Maryvale Institute		
. to help with promoting Catholic learning	2,000	2,000
Medaille Trust		
. to support their charitable activities	5,000	5,000
Parity for Disability		
. to support disabled people	2,000	2,000
Salesians of Don Bosco		
. to support their charitable activities	1,500	1,500
Missio		
. to support their charitable activities	2,000	2,000
St Barnabas Society		
. to support their charitable activities	1,000	1,000
Thames Hospice		
. to help provide nursing and medical care	2,000	2,000
Centre for Catholic Studies, Durham University		
. to provide funds towards administration costs	—	60,000
<b>Other donations (all less than £1,000)</b>	<b>4,869</b>	<b>3,615</b>
	<b>240,369</b>	<b>229,115</b>

During the year to 31 July 2019, the trustees of the Institute of Christian Education Charitable Trust (the predecessor charity), awarded a grant of £150,000 to the Centre for Catholic Studies, part of the Department of Theology and Religion at Durham University (the Centre). The liability in respect to this grant was transferred to the charity under the transfer agreement. The grant was payable in three annual instalments of £50,000 each and was to be applied towards the funding of a students for research doctorate studies. £50,000 of this grant was payable at 31 July 2021 and was classified as a creditor as at that date (note 12).

**4 Expenditure on: Grants and donations** (continued)

In addition to the above grant, the charity awarded an additional grant of £60,000 in the year to 31 July 2021 to the Centre to help towards administration costs. This grant is payable in three annual instalments of £20,000 each. £20,000 (2021: £40,000) of this grant is payable after the year end and is classified as a creditor in these accounts (note 12).

The charity's trustees have also communicated to the Centre that they will provide funding of £150,000 for research doctorate studies for a further three years commencing in 2023. The commitment will be recognised as a liability in the accounts for the year to 31 July 2023 following the signing of a formal agreement in April 2023.

**5 Expenditure on: Governance costs**

	2022 £	2021 £
Legal and professional fees	<b>17,250</b>	19,091

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

This is stated after charging:

	2022 £	2021 £
Staff costs (note 7)	<b>33,778</b>	32,894
Auditor's remuneration (including VAT)		
. Statutory audit services		
.. Current year	<b>16,200</b>	16,200
. Other services (accounting, tax and payroll and advisory)	<b>4,674</b>	4,623
Depreciation	<b>278</b>	370

**7 Staff costs, key management personnel and transactions with trustees**

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	<b>33,047</b>	32,188
Pension costs	<b>731</b>	706
	<b>33,778</b>	32,894

There were 3 part time employees during the year (2021 – 3).

Social security costs for the charity were fully covered by the annual allowance provided by the government.

All staff costs relate to the support of the members of the Institute and their ministry.

No employees earned £60,000 per annum or more (including taxable benefits) during the year (2021 – none).

**7 Staff costs, key management personnel and transactions with trustees** (continued)**Key management personnel**

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

Four of the charity's trustees, who served during the year, were members of the Institute of Christian Education and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Institute, are borne by the charity. No trustees received any remuneration or reimbursement of expenses in connection with their duties as a trustee (2021 - none).

**8 Taxation**

The Sisters of Christian Education CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income on gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

**9 Tangible fixed assets**

	Freehold land and buildings £	Motor vehicles £	Furniture, plant and equipment £	Total £
<b>Cost</b>				
At 1 August 2021	272,300	21,943	13,005	<b>307,248</b>
Disposals	—	(11,080)	—	<b>(11,080)</b>
At 31 July 2022	<u>272,300</u>	<u>10,863</u>	<u>13,005</u>	<u><b>296,168</b></u>
<b>Depreciation</b>				
At 1 August 2021	—	21,015	12,822	<b>33,837</b>
Charge for the year	—	232	46	<b>278</b>
On disposals	—	(11,080)	—	<b>(11,080)</b>
At 31 July 2022	<u>—</u>	<u>10,167</u>	<u>12,868</u>	<u><b>23,035</b></u>
<b>Net book values</b>				
At 31 July 2022	<u>272,300</u>	<u>696</u>	<u>137</u>	<u><b>273,133</b></u>
At 31 July 2021	<u>272,300</u>	<u>928</u>	<u>183</u>	<u><b>273,411</b></u>

As permitted under FRS 102, the charity adopts a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. 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.

**Post balance sheet events**

Progress has been made on the sale of two properties in Farnborough with the exchange of contracts in March 2023. It is hoped that completion (which is subject to planning permission being granted) will be achieved within the next two years. Should completion be achieved, it is expected that the gross proceeds will be approximately £2.5 million.

## Notes to the accounts 31 July 2022

### 10 Listed investments

At 31 July 2022 listed investments comprised:

	2022 £	2021 £
<b>Listed investments</b>		
Fair (market) value at 1 August 2021	8,123,274	6,863,145
Additions at cost	1,047,885	1,906,357
Disposals at book value (see below)	(2,144,417)	(1,729,403)
Net unrealised investment (losses) gains	(295,348)	1,083,175
Fair (market) value at 31 July 2022	6,731,394	8,123,274
<b>Cash held by investment managers for reinvestment</b>	600,841	81,835
	<b>7,332,235</b>	<b>8,205,109</b>
 Cost of listed investments at 31 July 2022	 <b>6,051,324</b>	 <b>6,568,306</b>

Disposals at book value comprised of the following:

	2022 £	2021 £
Proceeds	1,859,086	1,785,754
Losses (gains)	285,331	(56,351)
	<b>2,144,417</b>	<b>1,729,403</b>

Listed investments held at 31 July 2022 comprised the following:

	2022 £	2021 £
UK equities	1,802,172	2,583,907
Overseas equities	2,194,589	2,431,431
UK unitised funds	6,026	6,026
UK fixed interest securities	1,486,027	2,164,433
Overseas fixed interest securities	151,496	65,089
Alternatives	1,091,084	872,388
	<b>6,731,394</b>	<b>8,123,274</b>

At 31 July 2022 no individual holdings were deemed material in the context of the entire portfolio.

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

### 11 Debtors

	2022 £	2021 £
Investment income receivable	14,720	62,094
Prepayments	45,979	34,494
Amounts due from Louis Lafosse Educational CIO (note 17)	3,000	—
Accrued income	1,862	3,147
	<b>65,561</b>	<b>99,735</b>

**12 Creditors: amounts falling due within one year**

	2022 £	2021 £
Expense creditors	172	730
Accruals	32,506	35,878
Grants payable (note 4)	20,000	70,000
Amounts due to Louis Lafosse Educational CIO (note 17)	—	10,000
Social security costs	343	350
Monies held on behalf of the Generalate of the Institute of Christian Education	28,729	48,770
	<b>81,750</b>	<b>165,728</b>

**13 Creditors: amounts falling due after one year**

	2022 £	2021 £
Grants payable (note 4)	—	20,000

**14 Tangible fixed assets fund**

	2022 £	2021 £
At 1 August 2021	273,411	273,781
Net movement in year	(278)	(370)
At 31 July 2022	<b>273,133</b>	<b>273,411</b>

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

**15 Designated funds**

The income funds of the charity include designated funds set aside out of unrestricted funds by the trustees for specific purposes.

These funds are as follows:

	Retirement fund £	Education fund £	2022 Total £
At 1 August 2021	2,000,000	5,900,000	7,900,000
Designated in the year	170,000	—	170,000
Released in the year	—	(1,070,000)	(1,070,000)
At 31 July 2022	<b>2,170,000</b>	<b>4,830,000</b>	<b>7,000,000</b>
	Retirement fund £	Education fund £	2021 Total £
At 1 August 2020	2,000,000	5,000,000	7,000,000
Designated in the year	—	900,000	900,000
At 31 July 2021	<b>2,000,000</b>	<b>5,900,000</b>	<b>7,900,000</b>

## 15 Designated funds (continued)

### *Retirement fund*

The retirement fund comprises assets which the trustees have set aside in order to provide for the sisters as they grow older. The amount of the fund had been calculated using actuarial principles, whilst having regard to the resources actually available.

### *Education fund*

The trustees have established the education fund to provide income to be applied towards bursaries and scholarships, as described in the trustees' report.

## 16 Analysis of net assets between funds

	Tangible fixed assets fund £	Designated funds £	General funds £	Total funds 2022 £
Tangible fixed assets	273,133	—	—	273,133
Listed investments	—	7,000,000	332,235	7,332,235
Net current assets	—	—	135,669	135,669
	<b>273,133</b>	<b>7,000,000</b>	<b>467,904</b>	<b>7,741,037</b>

	Tangible fixed assets fund £	Designated funds £	General funds £	Total funds 2021 £
Tangible fixed assets	273,411	—	—	273,411
Listed investments	—	7,900,000	305,109	8,205,109
Net current assets	—	—	157,293	157,293
Creditors: amounts falling due after one year	—	—	(20,000)	(20,000)
	<b>273,411</b>	<b>7,900,000</b>	<b>442,402</b>	<b>8,615,813</b>

The total unrealised gains as at 31 July 2022 constitute movements on revaluation and were as follows:

	2022 £	2021 £
<b>Unrealised gains on listed investments included above:</b>		
Total unrealised gains at 31 July 2022	<b>680,070</b>	1,554,968
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August 2021	<b>1,554,968</b>	789,778
Less: in respect to disposals in the year	<b>(579,550)</b>	(317,985)
Add: net (losses) gains on revaluation arising in the year	<b>(295,348)</b>	1,083,175
Total unrealised gains at 31 July 2022	<b>680,070</b>	1,554,968

## 17 Related party transactions

### *Trustees*

Four of the trustees who served during the year are members of the Institute and have no 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 £21,335 (2021: £21,035).

### *Others*

The charity shares common control with the Louis Lafosse Educational CIO (Charity Registration No 1177782). Both entities have the same trustees and transactions between them are deemed related party transactions.

During the year, the charity authorised a donation of £130,000 (2021: £60,000) to the Louis Lafosse Educational CIO. At 31 July 2022, the charity owed the Louis Lafosse Educational CIO £Nil (2021 - £10,000) (note 12). At 31 July 2022, Louis Lafosse Educational CIO owed the charity £3,000 (2021: £nil) (note 11).

There were no other related party transactions during the year the current or the previous year.

## 18 Membership, ultimate control and liability of members

The Congregational Leader for the time being is automatically, by virtue of holding that office, is ex-officio the sole member of the charity for as long as she holds office.

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