

**CHARITY COMMISSION  
COPY**

**The Religious  
Sisters of  
Charity  
Charitable  
Trust**

**Annual Report and Accounts**

31 December 2015

Charity Registration Numbers  
231323 (England and Wales) and  
SC039185 (Scotland)

CHARITY COMMISSION  
FIRST CONTACT

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## Reference and administrative details about the charity, its trustees and its advisers

<b>Trustees</b>	Sister Mary Byrne Sister Mary Christian Sister Rita Dawson MBE Sister Frances Rankin Sister Pauline Smith
<b>Provincial Superior</b>	Sister Rita Dawson
<b>Provincial Bursar</b>	Sister Geraldine O'Connor
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<b>Charity registration number (England and Wales)</b>	231323
<b>Charity registration number (Scotland)</b>	SCO39185
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	HSBC Bank plc Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP
<b>Investment managers</b>	BlackRock Investment Management Limited 12 Throgmorton Avenue London EC2N 2DL
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

## Trustees' report Year to 31 December 2015

The trustees present their report together with the accounts of The Religious Sisters of Charity Charitable Trust (the "charity") for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out on pages 24 to 29 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations applicable to those two Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### Introduction



The Religious Sisters of Charity (the "Congregation") is a Roman Catholic religious congregation, founded by Mother Mary Aikenhead in Ireland in 1815 where its Generalate is still located. With her Sisters she visited and ministered to the poor in their homes, she visited prisons, started schools and eventually realised her dream: a hospital for the poor where they could be treated with dignity and compassion. Today we carry on this work where possible. The Congregation is governed by its own constitution. In 2015 we celebrated 200 years since the foundation of the Congregation.

The accounts accompanying this report deal only with the affairs of the charitable trust on which the Congregation has invested all Provincial and Community property used for its purpose in England and Scotland. The charity is governed by a Trust Deed dated 17 December 1962 and is registered with the Charity Commission in England and Wales – Charity Registration Number 231323 and with the Office of the Scottish Charities Regulator in Scotland – Charity Registration Number SCO39185.

### Mission



The English/Scottish Province of the Congregation of the Religious Sisters of Charity aims to support the religious and other charitable works in the service of the poor, carried out by the members of the Congregation, and to care for those members throughout their lives with the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of the individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

These ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, can be defined under the following areas:

**Mission (continued)**

***Worship and prayer***

Our prayer life is a very important aspect of our daily living. Our sisters devote time each day to both private and community prayer and with the wider community in the parishes where they live in celebration of the Eucharist. A period of six to eight days is set aside each year for individual retreat. Sisters also celebrate and pray with the wider community in gatherings of people of all faiths and none. This is done through spiritual direction, retreat work and prayer groups.

***Health care***

Our mission is to bring the healing ministry of Christ to all who seek our care.

Our concern for others, especially those in need, permeates every aspect of our health service. We are dedicated to providing the best possible health care by drawing on the talents and creativity of our people and by forming relationships with others who share our Vision and Core values.

Our Vision is to strengthen and promote the healing mission of Christ through the provision of Catholic health care within our society. Drawing on the commitment and talents of our people, we will continue to form relevant and strategic relationships so that our health service continues to grow and provide quality care always with a special focus on caring for the poor, the disadvantaged and the marginalised.

Our core values urge us to strive to respect the uniqueness of each person created in the image and likeness of God; to accept people as they are, act with integrity, respecting the rights of all; to excel in all aspects of our healing ministry and create community characterised by harmony and collaboration.

***Social and pastoral care***

Many of our sisters work in various forms of social and pastoral work in both England and Scotland, including care of the housebound and people with special needs, family support, chaplaincy in hospitals, prisons and educational establishments. Our aim is to reach out to the poor and marginalised in the areas where we live, regardless of their beliefs, gender or personal circumstances.

***Education***

Our involvement in formal teaching in schools is minimal, but some of our sisters are involved in supporting formal education by voluntary teaching in poor areas and as learning support assistants. In our Hospices staff development is of paramount importance, and our sisters are involved with education in team building, leadership/management training, communication skills, presentation skills and time management. Training is centred on our Mission Statement and Core Values.

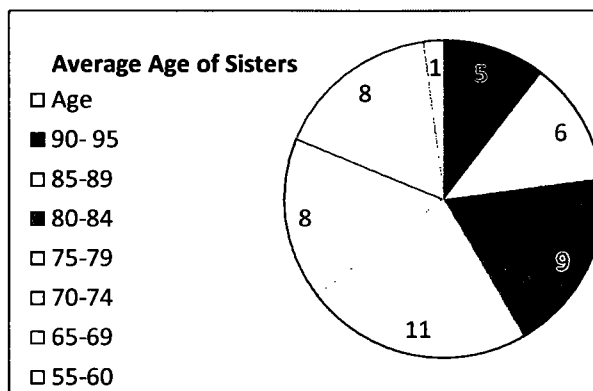
## **Activities, specific objectives and relevant policies**

### ***Activities and specific objectives***

As stated above under "Mission", the activities of the charity are to care for members of the Congregation and to enable them to carry out their ministries which fall within five principal areas: caring for members of the Congregation, worship and prayer, healthcare, social and pastoral care, and education. Each of these is considered in turn below.

#### ***1. Caring for members of the Congregation***

As is the case with many religious congregations in England today, the age profile of the members of our Congregation in this Province is increasing as existing members grow older and the number of new vocations becomes minimal. The average age of the sisters in this Province at present is 77 years.



The Congregation has an obligation, both moral and legal, to provide for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to working either on a voluntary basis or in a paid capacity, for the poor and marginalised in society. As the age profile increases so too does the need to provide increasing and increasingly expensive care to the sisters. We have ten members receiving care in our communities in London and Scotland. The trustees expect this number to increase considerably over the next decade. In line with this, the trustees are giving careful consideration to the impact of this on individual members of the Province, the property requirements and the financial implications for the Congregation.

Therefore, the aim of the trustees for the forthcoming year includes:

- ◆ Ensuring all members of the Province receive the high level of care they require to provide them with the quality of life they should rightly expect. Ensuring that all sisters needing care or help with daily tasks receive the help they need, thus avoiding any accidents caused by people risking activities which they are no longer capable of doing.

**Activities, specific objectives and relevant policies (continued)**

***Activities and specific objectives (continued)***

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

- ◆ Reviewing the charity's properties used as community houses and continue to review on a regular basis the needs of our frail elderly sisters. Taking care to provide adequate lighting throughout the buildings where there are elderly people residing, and making sure that they are aware of the fire safety and fire drill should there be a fire in the building; and
- ◆ Enabling all members of the Province to continue with their individual ministries for as long as possible. Ensure that sisters who use cars for their ministry are safe to do so, as they get older.

**2. *Worship and Prayer***

We, as a Congregation, are committed to spreading the gospel through our shared worship with the local communities wherever we live, assisting them through prayer, study of the scriptures, public worship, music and the sacraments. The Sisters are involved in a number of activities including:

- ◆ Providing religious instruction and spiritual direction on a one-to-one basis;
- ◆ Praying with the housebound, patients in nursing homes and the dying; and
- ◆ Organising and hosting prayer groups, giving members of the public from all walks of life the opportunity to take time to reflect and contemplate, and to avail of time to study and share on the Gospel stories.

**3. *Health Care***

Our healthcare facilities in England and Scotland have been set up as separate charitable companies, but we have three to four members serving as trustees on each of the three hospice Boards.

**4. *Social and pastoral work***

The following are examples of the social and pastoral work undertaken by individual sisters:

- ◆ Working in parishes, visiting, helping in catechetical programmes and helping parishioners develop their spiritual lives;
- ◆ Administrative and secretarial support to Church organisations;
- ◆ Community social work with the homeless;
- ◆ Pastoral care/chaplaincy in hospitals, hospices, nursing homes and prisons;
- ◆ Advocacy and support for asylum seekers and refugees;

**Activities, specific objectives and relevant policies (continued)**

***Activities and specific objectives (continued)***

**4. *Social and pastoral work (continued)***

- ◆ Various justice and peace initiatives;
- ◆ Spiritual direction, retreat work and leading prayer groups;
- ◆ Bereavement counselling/bereavement support groups; and
- ◆ Working with Coalition for Removal of Pimping (CROP).

The aims of the trustees in this area include:

- ◆ Having assessed the needs of the community in the local areas, to enable all members of the Province to carry out meaningful social and pastoral work;
- ◆ To encourage and motivate members to work with and assist the poor and marginalised; and
- ◆ Wherever possible, to ensure sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and enables the sisters to continue to contribute and develop for the future.

**5. *Education***

The following are some of the areas where our sisters work in the field of education:

- ◆ Working as teaching assistants in primary schools;
- ◆ Providing courses on communication skills, team building, management skills, presentation skills and time management;
- ◆ Organising and running the Mission Effectiveness Programme in healthcare establishments; and
- ◆ Providing catechesis in the parishes, where children attend non-catholic schools.

The aims of the trustees in this area include:

- ◆ As we work with vulnerable adults and children the trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that any sister engaged in a ministry as a volunteer or working for the charity with children or vulnerable adults must have clearance from the Disclosure and Barring Service.
- ◆ Enabling members to be involved in formal education by voluntary teaching in poor areas where there is a shortage of teachers and lack of funds; and



**Activities, specific objectives and relevant policies (continued)**

***Activities and specific objectives (continued)***

**5. Education (continued)**

- ♦ Enabling members to continue to be involved, where possible, in the religious education of the children who do not attend Catholic schools, in the parishes where we live and work.

***Volunteers***

Throughout the year, thirty two sisters worked in a voluntary capacity, assisting the poor and marginalised and those in need. The majority of sisters receive no financial contribution for this work, which contributes to the overall achievement of the charity's objectives. In addition, the sisters are involved in the administration work of the Province and charity, without which the charity would not be able to function as effectively or fully as it does. It is impossible to measure the amount of time sisters actually spend in voluntary work in these areas. A few Sisters work in more than one area, giving their services where necessary.

***Investment policy***

The charity's investments are managed by BlackRock Investment Management Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set out by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total returns through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The charity's policy carries the following ethical restrictions:

1. Investment in any activity which is in conflict with the 'sanctity of life', as identified through the use of the Ethical Investment Research Services;
2. Any tobacco companies;
3. Any company with over 10% of turnover from military sales;
4. Any company producing pornography.

***Review of activities***

**1. Care of members of the Congregation**

A number of our elderly sisters who have devoted their lives to caring for others, working either in the education, healthcare or the pastoral/social work field, are now restricted to carrying on our most important ministry, which is that of prayer.

**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***



However, they themselves now need quite an amount of care and assistance. Ten sisters now need nursing care, and several others need help with daily chores.

With a small team of Care Assistants, Sister Helena provides admirably for the daily physical, spiritual and social needs, keeping the more fit sisters as active as possible. They have various

therapies and activities, such as aromatherapy, reflexology, music and movement, painting, bingo and other board games. Weather permitting they avail of the lovely grounds surrounding the convent where they can relax and enjoy the sunshine. One highlight in the past year was the visit by Prince Edward to the hospice and convent garden at St Joseph's Hospice, Hackney. He walked through the garden and chatted to the sisters, staff, patients and relatives. It was a very happy occasion. We also have a few members being cared for in our convents at Clydebank and Airdrie (Scotland).

**2. *Worship and prayer***

Our sisters are involved in various areas of catechesis in parishes, through Sacramental programmes such as RCIA, prayer groups and one-to-one meetings with people in the local parishes. Sisters are also asked to lead Eucharistic Services in their local parish Church in the absence of clergy.

Our inclusion in parish liturgies, whether involvement in preparation or participation and our roles as Eucharistic Ministers give witness to our commitment to spreading the gospel.

Sisters involved in parish work give a large part of their time to visiting the frail and elderly in their homes and bringing them Communion. This can prove to be the only human contact in the week for some individuals.

Bereavement counselling is another area close to the hearts of our parish sisters, and many need this over an extended period of time.

Those sisters involved in prison ministry offer spiritual direction/counselling to prisoners, and give them the opportunity to share their faith values in the context of prayer and discussion.

Our sisters are also committed to working with youth, especially in the more deprived areas. They offer these young people a more relevant view of the church to their age, with emphasis on justice and peace and the dignity of each one.

**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

**3. *Hospital chaplaincy***

This ministry involves the provision of spiritual, pastoral and religious care to patients, relatives and staff across the hospice and hospitals where our sisters visit. The chaplain is available to see people of any denomination of faith and those with none. Many people, including staff, believe that a patient will only want to see a chaplain if they are very religious or are dying, whereas the truth is that anyone in hospital is vulnerable and afraid, and may benefit from some spiritual support. Five sisters are involved in this ministry, and while one sister receives a salary, the other sisters work as volunteers.

*Sister Florence writes 'I have worked as a volunteer in the pastoral care team at St Joseph's Hospice for the past year. My work consists of visiting the patients and on occasions ministering to them and supporting the families and staff when the need arises. Caring for the terminally ill people can be very demanding, but it also is rewarding to be able to support and sit alongside the relatives at times when there is little comfort to be given, apart from praying with or for them.'*

**4. *Social and pastoral work***

Throughout the year thirty two of our sisters carried out various forms of social and pastoral work, many of them in a voluntary capacity. Parish work in most areas involves networking with community groups, working with families, participating in prayer groups, working for justice and peace with organisations such as CAFOD, working with people who wish to be baptised, acting as ministers of the Eucharist, visiting the housebound, helping with preparation for the sacraments and assisting in the general work of the parish.

*Sister Teresa describes her work in the parish where she works at the lunch club. 'I work three days a week in the Family Circle Luncheon Club . It is a social service centre that caters for the elderly in the area. We also deliver meals to the housebound daily, Monday to Friday. Most of the people who come live alone, and find it very helpful to meet other people and enjoy their company. This gives me an opportunity to meet the people who need help with shopping or filling in forms for various items which make their life easier.'*

**5. *Education***

As we have already stated, we are no longer involved in formal education. However, a few of our members do some voluntary work in the local schools.

Some sisters are involved in providing the following:

- ◆ Instructing new members on the RCIA team
- ◆ Taking an active part in the catechesis programme in the parish
- ◆ Leading scripture groups

**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

**5. Education (continued)**

- ◆ Organising and leading prayer groups during Lent and advent.

**Investment performance**

At 31 December 2015, the charity had listed investments. There are no restrictions on the charity's power to invest.

The charity has a portfolio of listed investments with a market value at 31 December 2015 of £12,074,731 (2014 - £12,054,408).

The investment strategy is approved by the trustees and takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

Representatives of the trustees meet with the investment managers regularly to review the performance of the portfolio and the investment strategy.

**Financial report for the year**

A summary of the year's results can be found on page 22 of this annual report and accounts.

At 31 December 2015, total income amounted to £966,560 (2014 - £941,653) with expenditure being £1,836,359 (2014 - £1,398,842).

The charity's income for the year ended 31 December 2015 comprises investment income and sisters' salaries and pensions, whereas expenditure comprises donations and the costs of supporting members of the Congregation and their ministry.

Net expenditure before investment gains of £20,323 amounts to £869,799, leading to a net decrease in funds of £849,476 for the year.

The beneficiaries of our charitable works can be assured that all the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity benefits from tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits we receive resulting from these exemptions are used for the purpose of furthering the Roman Catholic faith by enabling the sisters to live out our faith and to put that faith into practice through a wide variety of religious and other charitable works, including the management of the Congregation's hospices.

**Financial report for the year** (continued)

Because of the nature of the charity's activities we are unable to reclaim much of the VAT input tax on our costs as income is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes.

The charity brings very substantial benefits to local communities and society in general through the social and pastoral work provided by the sisters mainly on a voluntary basis.

The charity also creates social assets without cost to the Exchequer through the Sisters' links with older people within the community and through the significant amount of voluntary work carried out by the sisters.

**Reserves policy and financial position**

***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 and its future commitments, the level of free reserves should remain relatively high at between 12 and 24 months' recurring expenditure on general funds. The trustees reached this conclusion after assessing their recurring commitment to: the care of members of the Congregation - many of whom as they grow older will require increased and increasingly expensive healthcare; the need to maintain the charity's freehold properties - many of which are relatively old - in a high level of maintenance and order; and to healthcare services generally. In addition, the trustees feel it prudent to have sufficient reserves at any point in time to be able to respond to unforeseen emergencies.

The trustees are of the opinion that this level of reserves provides sufficient flexibility to cover shortfalls in incoming resources, adequate working capital to cover core costs, and will allow the charity to meet its commitments to its work in healthcare 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 £22 million.

£9.7 million is represented by tangible fixed assets used by the sisters. A decision was made to separate this fund from the general funds in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund cannot therefore be easily realised if needed to meet future contingencies.

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

***Financial position (continued)***

Actuarial calculations performed during the period indicate that £10.2 million is required to fund the long term care of the members of the Congregation living in England and Wales. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. In 2005, the Congregation's Generalate donated £3.7 million specifically for this purpose. This money has been utilised in part but the balance is held within a restricted "long term care fund" which had a market value of £3.6 million at the year end. The balance of the £10.2 million, i.e. £6.6 million has been set aside by the trustees in a designated "sisters' retirement fund".

£0.25m has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation.

Funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds or 'free reserves' of £1,779,984. Trustees are of the opinion that these are adequate but not excessive.

**Future plans**

The trustees are not anticipating any significant change to the charity or its activities over the next two to five years. Their aim is to continue to meet the following objectives:

- ◆ To continue to care for the sisters, and enable them to carry out their pastoral work and ministry. The emphasis will continue to be on the poor and marginalised, with particular care for the elderly, whilst aiming to reach out to as many people as possible.
- ◆ To continue our main focus of prayer and worship at the centre of the lives of our sisters, and to the overall mission of the charity.
- ◆ To monitor the needs of the more senior members as their needs increase and they become more dependent on others for their basic care, adapting the charity's plans accordingly in respect of property needs and providing the necessary care.
- ◆ In accordance with our 4th vow (Service of the Poor) to continue to care for the poor and marginalised, with particular care of the elderly and housebound. To reach out to those people who we consider to be most in need at this time.
- ◆ To continue to work with other charities and organisations who have a similar mission which is to serve the most needy.

## **Governance, structure and management**

### **Governance**

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Leadership Team at our Generalate in Dublin, Ireland. They are elected every six years at a General Chapter, by delegates from each of the Provinces and Regions. The English/Scottish Province is governed by the Provincial and her Council. The Provincial and her Council are appointed by the General Leadership Team, after consultation with the members of the English/Scottish Province. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Province, and to secure a good skill mix among them. Each community in the Province has a local leader, who is appointed by the Provincial. The Provincial is required to visit each community at least once a year. The Superior General or one of her team will visit the communities at least once every six years.

In terms of Civil law the charity is governed by a trust deed dated 17 December 1962 and is a registered charity – Charity Registration No 231323 (England and Wales) and Charity Registration No SCO39185 (Scotland). The trustees of the Province are the Provincial and four members of the Provincial Council. Being members of the Congregation, the trustees' living and personal expenses are paid by the charity, but they do not receive any remuneration for their services as trustees. As all trustees are members of the Congregation they have a detailed knowledge of the works of the charity and its structure. On being appointed, the new trustees spend one full day with the Superior General. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

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 current trustees are given below.

#### *Sister Rita Dawson MBE - Provincial*



Sister Rita, RSC DL PGD/Palliative Care BSc (Hons) MSc RGN RSCN, was appointed as Provincial Leader for the English/Scottish Province of the Congregation in September 2014. She is the Chief Executive of St Margaret of Scotland Hospice, Clydebank, with responsibility for the day-to-day administration, organisation and management of the Hospice. Sister Rita has been in charge of the Hospice for a number of years and during this time much building and refurbishing has taken place so that the congregation now has a very up to date facility available to those in need.

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

**Governance (continued)**

*Sister Mary Byrne*



Sister Mary joined the Sisters of Charity in 1971. In the course of the forty five years that she has been in the Congregation she has had many different jobs. She came to England and studied at Digby Stuart College and on leaving there taught for several years in Witney and Carterton in Oxfordshire and Bristol Primary schools. Later she received an MA in Peace Studies from Bradford University. For more than a decade she has worked with women in prostitution and in prison ministry. She worked at the RC chaplain at HMP Hewell until September 2013, and then moved to Airdrie, Lanarkshire where she is in charge of the local community.

*Sister Mary Christian*



Sister Mary entered the Religious Sisters of Charity in July 1964. She graduated from University College Dublin (U.C.D.) in 1975 and completed her teacher training in 1976, also at U.C.D. Sister Mary was then missioned to the California/Venezuela Region where she taught for four years before being transferred to a new mission in Venezuela. She returned to California in 1988 and worked in pastoral ministry until she was elected to the General Leadership Team in 1995. On completion of her six year term of office Sister Mary was appointed as the Regional Leader to California/Venezuela on 2002, a post which she held until her election as Superior General on 29 July 2007.

*Sister Frances Rankin*



Born in Dublin, Sister Frances entered the Religious Sisters of Charity in 1958. Following her profession she worked in housekeeping and parish ministry. In 1970 she trained as a Residential Child Care Worker and spent many years in this role. Frances then spent eleven years in St Joseph's Hospice Hackney, as assistant local leader. She now lives in Clydebank and assists in the general management of the Hospice.

*Sister Pauline Smith*



Sister Pauline joined the Religious Sisters of Charity in February 1961. Having come from Cheshire to Dublin, this was a cross cultural experience and has continued during the past 50 years. Her journey has taken her to Bristol, Birmingham, Liverpool Rock Ferry, Clydebank in Scotland, Macclesfield and Birkenhead where she lives in a community of three sisters and is working in Pastoral Ministry. In Birkenhead, as a Pastoral Assistant, she is part of a parish team in a very vulnerable area of profound need, welcoming all people into the faith community. This involves work with young families, helping individuals with severe illness and disabilities, assisting in Sacramental preparation of children and parents in the primary school, counselling of the bereaved and vulnerable, helping with parish groups and cooperating with other organisations in the wider community.



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

***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 picture of the state of affairs of the charity at the end of the year, and of the income and expenditure for that period. In preparing the accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principals in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 in England and Wales, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2005 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

***Structure and Management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity, its members and its activities and make any important decisions. When necessary, the trustees seek advice and support from our professional advisors including property consultants, investment managers, accountants and solicitors. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

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

***Structure and Management reporting (continued)***

We have 43 Sisters at present in the English/Scottish Province living in ten different areas. Three of these community houses are in London, two in Birmingham and Birkenhead, one in Bristol. We have communities attached to two Hospices in Scotland, at St Margaret of Scotland Hospice, Clydebank, Dunbartonshire, and St Andrew's Hospice, Airdrie, Lanarkshire. The communities are located in the poorer areas of the cities and towns, in order to enable the sisters to provide help for the poor and marginalised. In general these areas are socially deprived with people needing pastoral care and support, which is given voluntarily by the sisters. The local leader in each Community is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Provincial. All local leaders meet together twice a year with the trustees to discuss developments and future plans.

***Key management personnel***

The trustees consider that they together with the Provincial Bursar 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 and the Provincial Bursar 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 work as key management.

***Working with other organisations***

The charity works closely with a number of other charities and public bodies in the field of providing physical, psychological, social, and pastoral care to a variety of people including children, the elderly and the vulnerable. A few of our sisters are employed by these organisations, but in most instances the work is carried out on a voluntary basis. In all cases, working together with other charities and public bodies enhances communication and understanding thus enabling services to these people to be provided more efficiently and avoiding duplication of effort.

Examples of the organisations for which sisters have worked and with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Clifton, Shrewsbury, Brentwood, Birmingham, Motherwell and Glasgow.
- ◆ Western Infirmary, Glasgow; Monklands Hospital, Airdrie.
- ◆ Kennet Prison, Liverpool.
- ◆ Emmaus Centre, Acton; Filwood Hope Drop-in and Advice Centre.
- ◆ Wirral Irish Club, Family Circle Luncheon Club, Birkenhead.

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

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

- ◆ Jesuit Refugee Services, Wapping, London; St Vincent de Paul, Birkenhead.
- ◆ Christ the King RC School, Bristol.
- ◆ 'Be The Change' project, (working towards awareness of climate change).
- ◆ UNANIMA International.
- ◆ Medaille Trust; TRAC; Restore.
- ◆ Solihull Churches together; Asylum Seekers Group.
- ◆ Telco, East London Community Organisation.)

***Risk management***

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They 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 should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

**Governance and management** looks at the risk of the Congregation, and hence the charity, suffering from a lack of direction, 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 care of the older and frail sisters, the members of the congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

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

**Reputational** looks at possible damage to the Congregation's, and hence the charity's, reputation.

**Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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

***Risk management (continued)***

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

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◇ An analysis of the age profile of the members of the Congregation shows that the average age in the Province at 31 December 2015 was 77 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters 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. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◇ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that Sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, the trustees have established a Safeguarding Team of four Sisters which meets several times a year to take part in on-going safeguarding training; to update internal policies; and to ensure that Sisters, staff and volunteers are kept informed about good practice in work and ministry.
- ◇ The charity donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.

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


***Risk management (continued)***

- ◊ 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 twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs- both now and in the future.

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

The trustees wish to record their thanks for the professionalism and commitment of all their staff, volunteers and the individual sisters in this Province. Their dedication and continued service are very much appreciated.

Signed on behalf of the trustees:

  
Sister Rita Dawson  
Trustee

Approved by the trustees on: **24 May 2016**

**Independent auditor's report to the trustees of The Religious Sisters of Charity Charitable Trust**

We have audited the accounts of The Religious Sisters of Charity Charitable Trust for the year ended 31 December 2015, which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the 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 (as amended). Our audit work has been undertaken so that we might state to the 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Independent auditor's report 31 December 2015

### Opinion on the accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its 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).

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) 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
- ◆ proper accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Buzzacott LLP

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

27 May 2016

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 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>Income:</b>					
Donations and legacies	1	560,911	—	<b>560,911</b>	511,425
Investment income	2	284,026	121,623	<b>405,649</b>	385,108
Other income					
• Surplus on disposal of tangible fixed assets	3	—	—	—	1,348
• Miscellaneous income	4	—	—	—	43,772
<b>Total income</b>		<b>844,937</b>	<b>121,623</b>	<b>966,560</b>	<b>941,653</b>
<b>Expenditure:</b>					
Cost of raising funds					
• Investment management costs	5	410	—	<b>410</b>	67,200
Expenditure on charitable activities					
• Charitable grants and donations	6	356,658	—	<b>356,658</b>	40,507
• Support of members of the Congregation and their ministry	7	1,193,765	121,623	<b>1,315,388</b>	1,291,135
Other expenditure					
• Loss on disposal of tangible fixed assets	8	163,903	—	<b>163,903</b>	—
<b>Total expenditure</b>		<b>1,714,736</b>	<b>121,623</b>	<b>1,836,359</b>	<b>1,398,842</b>
<b>Net expenditure before gains on investments</b>	10	<b>(869,799)</b>	<b>—</b>	<b>(869,799)</b>	<b>(457,189)</b>
<b>Net gains on investments</b>	15	<b>14,164</b>	<b>6,159</b>	<b>20,323</b>	<b>359,668</b>
<b>Net (expenditure) income and net movement in funds for the year</b>		<b>(855,635)</b>	<b>6,159</b>	<b>(849,476)</b>	<b>(97,521)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 January 2015		19,216,698	3,614,823	<b>22,831,521</b>	22,929,042
Total funds carried forward at 31 December 2015		18,361,063	3,620,982	<b>21,982,045</b>	22,831,521

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

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



# Balance sheet 31 December 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	14		9,731,079		10,437,993
Investments	15		12,074,731		12,054,408
			<u>21,805,810</u>		<u>22,492,401</u>
<b>Current assets</b>					
Debtors	16	63,000		2,481	
Cash at bank and in hand		568,576		491,141	
		<u>631,576</u>		<u>493,622</u>	
<b>Creditors: amounts falling due within one year</b>	17	(436,141)		(109,702)	
<b>Net current assets</b>			<u>195,435</u>		<u>383,920</u>
<b>Total assets less current liabilities</b>			<u>22,001,245</u>		<u>22,876,321</u>
<b>Creditors: amounts falling due after one year</b>	17		(19,200)		(44,800)
<b>Total net assets</b>			<u>21,982,045</u>		<u>22,831,521</u>
<b>Represented by:</b>					
<b>The funds of the charity</b>					
Restricted funds	18		3,620,982		3,614,823
Unrestricted funds					
. General funds			1,779,984		1,928,705
. Tangible fixed assets fund	19		9,731,079		10,437,993
. Designated funds	20		6,850,000		6,850,000
<b>Total funds</b>			<u>21,982,045</u>		<u>22,831,521</u>

Approved by the trustees and signed  
on their behalf by:

  
Trustee

Approved by the trustees on: 24 May 2016

# Statement of cash flows Year to 31 December 2015

	Notes	2015 £	2014 £
<b>Cash inflow from operating activities:</b>			
Net cash used in operating activities	A	(637,826)	(198,260)
<b>Cash inflow from investing activities:</b>			
Dividends and interest from investments		405,649	385,108
Proceeds from the disposal of tangible fixed assets		319,612	1,350
Purchase of tangible fixed assets		(10,000)	(34,915)
<b>Net cash provided by investing activities</b>		<b>715,261</b>	<b>351,543</b>
<b>Change in cash and cash equivalents in the year</b>		<b>77,435</b>	<b>153,283</b>
<b>Cash and cash equivalents at 1 January 2015</b>	B	<b>491,141</b>	<b>337,858</b>
<b>Cash and cash equivalents at 31 December 2015</b>	B	<b>568,576</b>	<b>491,141</b>

## Notes to the cash flow statement for the year to 31 December 2015.

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

	2015 £	2014 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(849,476)</b>	<b>(97,521)</b>
<b>Adjustments for:</b>		
Depreciation charge	233,399	235,265
Gains on investments	(20,323)	(359,668)
Dividends and interest from investments	(405,649)	(385,108)
Deficit (surplus) on disposal of tangible fixed assets	163,903	(1,348)
(Increase) decrease in debtors	(60,519)	349,297
Increase in creditors	300,839	60,823
<b>Net cash used in operating activities</b>	<b>(637,826)</b>	<b>(198,260)</b>

### B Analysis of cash and cash equivalents

	2015 £	2014 £
<b>Cash at bank and in hand</b>	<b>568,576</b>	<b>491,141</b>

## Principal accounting policies 31 December 2015

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 2015.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net expenditure for the year is provided with the net expenditure under previous GAAP adjusted for the presentation of investment gains as a component of reported net expenditure:

	2014 £
Reconciliation of reported net expenditure:	
Net expenditure as previously stated	(457,189)
Adjustment for gains on investments now treated as a component of net expenditure	359,668
2014 net expenditure as restated	(97,521)

## Principal accounting policies 31 December 2015

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

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

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

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ estimating legacies receivable; and
- ◆ estimating the size of the Sisters' retirement fund, created in order to provide for the continuing care of the members of the Congregation.

### **Assessment of going concern**

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. 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 2016, 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 (see the investment policy and the risk management section 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, legacies, investment income, the surplus on disposal of tangible fixed assets and miscellaneous 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.

**Income recognition (continued)**

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.

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.

**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 includes investment management fees.
- ◆ 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 charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

## Principal accounting policies 31 December 2015

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

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 and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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.

- ◆ Other expenditure comprising deficits arising from the disposal of tangible fixed assets.

All expenditure is stated inclusive of irrecoverable VAT.

### **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 attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

### **Tangible fixed assets**

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings

Land and buildings are included on the balance sheet at 1999 valuations (which were determined by the trustees with professional assistance on the basis of replacement cost for existing use) with additions since those dates included at cost.

## Principal accounting policies 31 December 2015

### Tangible fixed assets (continued)

Land and buildings comprise:

- ◇ Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. Such land and 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.
- ◇ Specialised buildings comprise the Congregation's large residential convents and the care home for the elderly sisters. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.
- ◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated on a straight line basis over the following periods in order to write off each asset over its estimated useful economic life.

◇ Computer equipment	4 years
◇ Furniture	5 years
◇ Plant and similar assets	15 years
- ◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight line basis, in order to write off the cost of 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.

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.

## **Principal accounting policies 31 December 2015**

### **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. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

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

### **Fund structure**

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

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

### **Services provided by members of the Congregation**

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

### **Pension contributions**

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 6. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.



## Notes to the accounts Year to 31 December 2015

### 1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	497,524	—	497,524	498,676
Donations	387	—	387	12,749
Legacies	63,000	—	63,000	—
<b>2015 Total funds</b>	<b>560,911</b>	<b>—</b>	<b>560,911</b>	<b>511,425</b>
<b>2014 Total funds</b>	<b>511,425</b>	<b>—</b>	<b>511,425</b>	

### 2 Investment income

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Income from listed investments				
· UK common investments funds	284,003	121,623	405,626	385,102
Interest receivable				
· Bank interest	5	—	5	6
· Cash held by investment managers	18	—	18	—
	23	—	23	6
<b>2015 Total funds</b>	<b>284,026</b>	<b>121,623</b>	<b>405,649</b>	<b>385,108</b>
<b>2014 Total funds</b>	<b>269,643</b>	<b>115,465</b>	<b>385,108</b>	

### 3 Surplus on disposal of tangible fixed assets

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2014 Total funds £
<b>2015 Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,348</b>
<b>2014 Total funds</b>	<b>1,348</b>	<b>—</b>	<b>1,348</b>	

### 4 Miscellaneous income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2014 Total funds £
Investment management fee rebates	—	—	—	43,772
<b>2015 Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43,772</b>
<b>2014 Total funds</b>	<b>43,772</b>	<b>—</b>	<b>43,772</b>	

## Notes to the accounts Year to 31 December 2015

### 5 Investment management costs

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2014 Total funds £
2015 Total funds	410	—	410	67,200
2014 Total funds	67,200	—	67,200	

### 6 Charitable gifts and donations

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
General donations	12,046	—	12,046	15,507
Contributions to the Congregation's Generalate	344,612	—	344,612	25,000
2015 Total funds	356,658	—	356,658	40,507
2014 Total funds	40,507	—	40,507	

### 7 Support of members of the Congregation and their ministry

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Premises	281,546	—	281,546	288,171
Staff costs	409,822	121,623	531,445	507,408
Sisters' personal expenses	427,516	—	427,516	460,496
Education, training and spiritual renewal	7,830	—	7,830	6,160
Miscellaneous expenses	17,477	—	17,477	3,152
Governance (note 9)	49,574	—	49,574	25,748
2015 Total funds	1,193,765	121,623	1,315,388	1,291,135
2014 Total funds	1,175,670	114,465	1,291,135	

### 8 Loss on disposal of tangible fixed assets

During the year the charity disposed of its freehold land and buildings situated at Filwood Broadway, Knowle West, Bristol for £340,000. The property had a net book value of £483,513 resulting in the deficit on disposal of £163,903 after deducting related costs.

**9 Governance costs**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Audit fees	16,860	—	16,860	11,040
Legal fees	6,025	—	6,025	5,930
Other governance expenses	26,689	—	26,689	8,778
	49,574	—	49,574	25,748

**10 Net expenditure before gains on investments**

This is stated after charging (crediting):

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Staff costs (note 7)	559,930	—	559,930	544,826
Auditor's remuneration				
.. Statutory audit services				
.. Current year	10,200	—	10,200	9,600
.. Prior year	300	—	300	(5,160)
.. Other services	10,782	—	10,782	6,600
Depreciation	233,399	—	233,399	234,805

**11 Staff costs and remuneration of key management personnel**

	2015 Total funds £	2014 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	510,394	495,290
Social security costs	43,258	43,258
Other pension costs	6,278	6,278
	559,930	544,826

Staff costs per function were as follows:

Support of members of the Congregation and their ministry	559,930	544,826
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No employee earned £60,000 per annum or more (including taxable benefits) during the year ended 31 December 2015 (2014 - none).

The average number of employees, analysed by function, was as follows:

	2015 No	2014 No	2015 FTE	2014 FTE
Support of members of the Congregation and their ministry	23	23	21	21

**11 Staff costs and remuneration of key management personnel (continued)**

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 and the Provincial Bursar. The total remuneration (including taxable benefit but excluding employer's pension contributions) of the key management personnel for the year was £nil (2014 - £nil).

**12 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 (2014 - 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 £105,004 (2014 - £104,670).

**13 Taxation**

The Religious Sisters of Charity 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.

**14 Tangible fixed assets**

	Freehold land and buildings		Computers, furniture and equipment	Motor vehicles	Total
	Non specialised £	Specialised £	£	£	£
<b>Cost or valuation</b>					
At 1 January 2015	4,757,463	5,757,757	740,623	172,607	11,428,450
Additions	—	—	—	10,000	10,000
Disposals	(483,513)	—	—	(14,489)	(498,002)
At 31 December 2015	4,273,950	5,757,757	740,623	168,118	10,940,448
At cost	2,888,613	5,757,757	740,623	168,118	9,555,111
At valuation – 1999	1,385,337	—	—	—	1,385,337
	4,273,950	5,757,757	740,623	168,118	10,940,448
<b>Depreciation</b>					
At 1 January 2015	—	431,589	408,989	149,879	990,457
Charge for the year	—	115,155	106,095	12,149	233,399
On disposals	—	—	—	(14,487)	(14,487)
At 31 December 2015	—	546,744	515,084	147,541	1,209,369
<b>Net book values</b>					
At 31 December 2015	4,273,950	5,211,013	225,539	20,577	9,731,079
At 31 December 2014	4,757,463	5,326,168	331,634	22,728	10,437,993

As permitted under Financial Reporting Standard 102 the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings is based on a 1999 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of several of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at valuation cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

## Notes to the accounts Year to 31 December 2015

### 15 Investments

	Total 2015 £	Total 2014 £
<b>Listed investments</b>		
Market value at 1 January 2015	12,054,408	11,694,740
Net unrealised investment gains	20,323	359,668
Market value at 31 December 2015	12,074,731	12,054,408
Cost of listed investments at 31 December 2015	8,983,687	8,983,687

Net investment gains of £14,164 (2014 - £251,901) are attributable to unrestricted funds and net investment gains of £6,159 (2014 - £107,767) are attributable to restricted funds.

Listed investments held at 31 December 2015 comprised the following:

	2015 £	2014 £
UK common investment funds	12,074,731	12,054,408

At 31 December 2015, the charity owned the following investments which represented a material holding relative to the market value of the total listed investments portfolio held at that date:

Holding	Market value of holding £	Percentage of portfolio %
Charifaith Distribution Units	12,068,249	99.95%

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

### 16 Debtors

	2015 £	2014 £
Legacy receivable	63,000	—
Prepayments	—	2,481
	63,000	2,481

### 17 Creditors

#### (a) Creditors: amounts falling due within one year

	2015 £	2014 £
Investment management fees payable (see below)	30,000	22,400
Amounts due to the Generalate of the Religious Sisters of Charity	344,612	25,000
Accruals	61,529	62,302
	436,141	109,702

## Notes to the accounts Year to 31 December 2015

### 17 Creditors (continued)

#### (b) Creditors: amounts falling due after one year

	2015 £	2014 £
Investment management fees payable (see below)	19,200	44,800

The charity pays fees to its investment manager through the common investment funds it invests in. At the end of each year, the charity receives a rebate on these fees being the difference between the fees charged through the common investment fund and the rate contractually agreed.

During the year ended 31 December 2014 it came to light that the fees payable to the charity's investment manager had been calculated incorrectly since August 2013 and that the fees rebated had been excessive. Consequently, the charity has agreed to pay the amount that should have been invoiced to it but to do so in equal amounts over each of the three years 2015 to 2017 inclusive.

### 18 Restricted funds

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

	At 1 January 2015 £	Movement in funds:		At 31 December 2015 £
		Income £	Expenditure and gains £	
Long term care fund	3,614,823	121,623	(115,464)	3,620,982

The long term care fund is to be used for the sisters' long term care. This sum will provide modest resources to look after the sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

### 19 Tangible fixed assets fund

	2015 £	2014 £
At 1 January 2015	10,437,993	10,638,345
Net movement in year	(706,914)	(200,352)
At 31 December 2015	9,731,079	10,437,993

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

## 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 2015 £	New designations (utilised) £	At 31 December 2015 £
Sisters' retirement fund	6,600,000	—	6,600,000
Repairs and maintenance fund	250,000	—	250,000
	<u>6,850,000</u>	<u>—</u>	<u>6,850,000</u>

### ♦ Sisters' retirement fund

Actuarial calculations performed during the year indicate that £10.2 million (2014 - £10.2 million) is required to fund the long term care of the members of the Congregation living in England and Wales.

Part of the fund is represented by an investment portfolio which had a value of £3.6 million at 31 December 2015 (2014 - £3.6 million) and is part of the charity's restricted funds (note 18).

The designated fund comprises the balance of £6.6 million (2014 - £6.6 million) set aside by the trustees in order to provide fully for the Sisters in their retirement. The fund will be utilised over the expected lives of the Sisters.

### ♦ Repairs and maintenance fund

£250,000 has been set aside for the refurbishment and furnishing of accommodation for elderly members of the Congregation. It is anticipated that this fund will be utilised over the next five years.

## 21 Analysis of net assets between funds

	General funds £	Tangible fixed asset funds £	Designated funds £	Restricted funds £	Total 2015 £
<b>Fund balances at 31 December 2015 are represented by:</b>					
Tangible fixed assets	—	9,731,079	—	—	9,731,079
Investments	1,603,749	—	6,850,000	3,620,982	12,074,731
Net current assets	195,435	—	—	—	195,435
Creditors : amounts falling due after one year	(19,200)	—	—	—	(19,200)
<b>Total net assets</b>	<u>1,779,984</u>	<u>9,731,079</u>	<u>6,850,000</u>	<u>3,620,982</u>	<u>21,982,045</u>



## Notes to the accounts Year to 31 December 2015

### 21 Analysis of net assets between funds (continued)

The total unrealised gains (losses) as at 31 December 2015 constitutes movements on revaluation and are as follows:

	2015 £	2014 £
<b>Unrealised gains included above:</b>		
On investments	3,091,044	3,070,721
<b>Total unrealised gains at 31 December 2015</b>	<b>3,091,044</b>	<b>3,070,021</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2015	3,070,721	2,711,053
Add: net gains arising on revaluation in the year	20,323	359,668
<b>Total unrealised gains at 31 December 2015</b>	<b>3,091,044</b>	<b>3,070,721</b>

### 22 Connected charities

The Religious Sisters of Charity Charitable Trust (the charity) is connected to two charities in Scotland by virtue of the fact that the trustees of the charity are also trustees of the Scottish charities. Details of the Scottish charities are as follows:

- ♦ Irish Sisters of Charity - St Margaret's Hospice - Scottish Charity No. SC005623
- ♦ St Andrew's Hospice Appeal - Scottish Charity No. SC010159

Sister Rita Dawson is the Chief Executive of St Margaret of Scotland Hospice, Clydebank and a trustee of The Religious Sisters of Charity Charitable Trust. During the year, St Margaret of Scotland Hospice, Clydebank made a payment of £79,200 (2014 - £79,200) to The Religious Sisters of Charity Charitable Trust in respect to the services of Sister Rita.

The charity is also connected to St Joseph's Hospice, Hackney (Charity Registration Number 1113125 and Company Registration Number 05513914 (England and Wales)) by virtue of the fact that certain of the trustees of the charity are also members of the trustee board of St Joseph's Hospice, Hackney. At 31 December 2015, the charity owed St Joseph's Hospice, Hackney £45,929 (2014 - £47,302). £510,292 (2014 - £520,836) was payable by the charity to St Joseph's Hospice during the year to 31 December 2015 in respect to staff and utility costs.

There were no other transactions between the charity and its connected charities during the year (2014 - none).

**23 Ultimate control**

The charity, which is constituted as a trust, was controlled throughout the period by the Province of Great Britain and Ireland of the Religious Sisters of Charity by virtue of the fact that the Superior of the Congregation 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 Province in England and Wales are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.