

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

**Annual Report and Consolidated  
Accounts**

31 December 2016

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

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

<b>Trustees</b>	Sister Moira Bain Sister Margaret Bannerton (appointed June 2016) Sister Ellen T Flynn Sister Kathleen Fox Sister Eileen Glancy (retired June 2016) Sister Kay Harte Sister Kathleen Kennedy Sister Theresa Tighe
<b>Sister Provincial</b>	Sister Ellen Flynn
<b>Provincial Bursar</b>	Sister Eileen Glancy (retired June 2016) Sister Margaret Bannerton (appointed June 2016)
<b>Principal office</b>	Provincial House The Ridgeway Mill Hill London NW7 1RE
<b>Telephone</b>	020 8959 2257
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<b>Charity Registration Numbers</b>	236803 (England and Wales) SC039155 (Scotland)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc Fenton House 85-89 New London Rd Chelmsford Essex CM2 0PP

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

### Investment Managers

The Charities Property Fund  
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London  
W1G 0JD

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Swindon  
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Foreign and Colonial Investment Managers  
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### Solicitors

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G2 4HB

The Trustees present their statutory report together with the consolidated accounts of the Daughters of Charity of St Vincent de Paul Charitable Trust (the charity) and its subsidiary company, 1860 Limited, for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 39 to 46 of the attached accounts and comply with the charity's trust deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Introduction**

The Daughters of Charity of St Vincent de Paul (the Congregation) is an international Roman Catholic Religious Community of Women who have dedicated their lives to the service of poor, vulnerable and marginalised people. It was founded in France where its Generalate has its headquarters and is divided into a number of distinct Provinces in 91 countries, one being the British Province.

The accounts accompanying this report are the consolidated accounts of the charity and its subsidiary company. The charity is a charitable trust on which the assets of the Congregation in England, Wales and Scotland are held. The charity is governed by a trust deed dated 5 June 1964 and is registered under the Charities Act 2011 - Charity Registration No. 236803 (England and Wales). The charity is also a registered charity in Scotland, Charity Registration No. SC039155 (Scotland). During the year ended 31 December 2010, a wholly owned subsidiary company of the Daughters of Charity of St Vincent de Paul Charitable Trust, 1860 Limited (Company Registration No. 7258317 (England and Wales)), was established and the results of this company are consolidated into these accounts.

### **Mission**

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

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

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

### **Activities, achievements and performance**

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

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

## **1. WORSHIP AND PRAYER**

### **Activities and specific objectives**

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

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

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

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

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

Specific examples of this are as follows:

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

## **1. WORSHIP AND PRAYER** (continued)

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

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

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

### ***Activities, achievements and performance***

Having an open door policy was clearly evident throughout 2016 in the Provincial House Mill Hill, which opened its door to many groups for prayer, reflection and meetings. Primary and Secondary schools benefited from the facilities offered, running days of reflection for older students while younger groups enjoyed sacramental preparation sessions. The local parish also held meetings of the parish council as well as catechetical instruction for a variety of groups. Having access to a large meeting room, a prayerful chapel and spacious gardens makes the Provincial House an ideal venue for such gatherings.



During 2016 meetings were arranged for the Sisters to further reflect and discuss the inter Assembly Document in order to form a Provincial Plan covering their spirituality, community life and life of service.

## **1. WORSHIP AND PRAYER (continued)**

### ***Future developments***

During 2017 we hope to arrange gatherings to celebrate the 400 years of the Charism of our Founders. We have 2 million members in the Global Family (UK over 12,500) dedicated to the eradication of poverty in all forms and have been working for Social Justice and the support of marginalised people for the past 400 years. Plans are already in place to celebrate at three venues Southwark Cathedral, Liverpool Cathedral and Carfin Grotto Glasgow.

As part of this celebration plans are in place for Sisters to visit the Mother House in Paris.

During 2017 we also hope to have the launch of our book "Leaving God for God". This is a study of five generations of Catholic Sisters in Britain from 1847 to 2017, and the wider – ranging ministries to people in poverty. As members of the Company of Daughters of Charity of St Vincent de Paul – co founded by St Vincent de Paul and St Louise de Marillac in seventeenth century France – the Daughters of Charity belong to the largest transnational institute in the Catholic Church. We are really excited as we eagerly await this unfolding of our history.

The Sisters will continue to open their doors to groups wishing to have quiet times of reflection and prayer as well as meetings. Many groups within the Vincentian Family as well as the local parish and schools will use the Provincial House for this.

## **2. SOCIAL AND PASTORAL WORK**

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

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

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

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

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

- **Hospital / hospice chaplaincy work** where Sisters aim to provide comfort and a listening ear to those who are ill and support to their families and hospital staff. They pray with and on behalf of those who are ill as well as giving Holy Communion to those who wish to receive it.
- **Visiting of vulnerable elderly people**, the object of which is to befriend, support and care practically for elderly people, especially those living alone and isolated in inner city areas.



## 2. SOCIAL AND PASTORAL WORK (continued)

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

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

The objectives of the Trustees in this area include:

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

## **2. SOCIAL AND PASTORAL WORK** (continued)

### ***Activities, achievements and performance*** (continued)

#### **Pastoral work in Hull:**



Journey in Faith group 2016

At present the Daughters of Charity in Hull are supporting the parishes of West Hull and South East Hull. This involves taking Communion to elderly, sick and housebound, supporting families, participating in sacramental preparation for children and adults and offering hospitality to the many who call at the door of our houses seeking help.

Our mission in Hull is to support evangelisation across the city. This is done through organising and supporting a variety of different programs and events. Following a very successful Mission in the city during 2016 the Daughters of Charity were asked to take the legacy of the Mission forward with the laity. This is developing in a number of ways. Our aim is to encourage and support the laity to take forward various aspects of evangelisation that will help build up the Catholic faith community in the city. A retreat is organised for June and hopefully this will deepen some of the work that is already in place.

As a community we also offer pastoral support in St Mary's College, Hull's Roman Catholic secondary school and are involved in ministry with 'Open Doors', SVP drop-in, ship visiting through Apostleship of the Sea, Great Minds who support people with mental health issues and supporting St Stephen's Neighbourhood Centre as well as participating in a city ecumenical spirituality group.



We work closely with the Vincentian Family here in Hull, the SVP, Mini Vinnies and we have re-ignited the YSVP in St Mary's College.

Much of our work is responding to needs that present themselves on a day to day basis. Living in the Presbytery in a deprived area of Hull brings with it a ministry that defies structure and agendas!

We also work together as an Initial Formation local community, taking responsibility for the formation of Nadine, our Postulant.

2017 sees Hull as the 'UK City of Culture' and the 'faith' element of this experience is "I Believe in Hull". We will try as best we can to support the events and prayer this group offer.

## **2. SOCIAL AND PASTORAL WORK (continued)**

### ***Activities, achievements and performance (continued)***

#### **Pastoral work in Cardiff:**

Five Sisters work in a variety of pastoral settings; three are involved in general parish work including sacramental preparation and the visiting of elderly people, bringing Holy Communion to housebound and sick parishioners and assisting in the local primary school. Another Sister, trained in podiatry, provides foot care to the people of the area, as well as awareness training on human trafficking for local groups. The fifth Sister supports people seeking asylum and new refugees as they start a settling process in the U.K.

#### **Pastoral service in Abbey Wood:**



A small community of four Sisters is working in collaboration with Nigerian Vincentian priests who are running the three local parishes where there is a high proportion of people from Nigeria. The Daughters of Charity of St Vincent de Paul were delighted to welcome Sister Franca from the Province of Nigeria to work with the Sisters in Abbey Wood.

We believe sharing culture and language will enhance the ministry the Sisters can give to the people in this particular area.

#### **Response to human trafficking:**

Four sisters, representing different geographical areas of the Province – Scotland, Wales, north west England and London worked throughout the year to respond to the suffering caused by human trafficking in the UK.

Initiatives included volunteering in safe houses in Manchester and London, offering awareness raising training to a variety of groups in Cardiff, Liverpool and other places, and being the representative of the Catholic Church in Scotland for ACTS – Action of Churches Together in Scotland which runs anti-human trafficking campaigns.

The group also produces a calendar which was distributed to all local communities of Daughters of Charity, which each month highlighted different aspects, facts, statistics and reflections for prayer on human trafficking, to focus Sisters' minds on this 'crime against humanity' (Pope Francis).

In January 2017, representatives of this group, together with a Sister working with undocumented people and asylum seekers and a member of the Provincial Council, attended a European wide conference for Daughters of Charity of St Vincent de Paul in the Mother House in Paris. The focus of this conference was migration and how better we can respond to the hundreds of thousands of migrant people arriving on the shores of Europe.

All too often migrant people become victims of human trafficking and thus the two issues – human trafficking and migration are inextricably linked.

## **2. SOCIAL AND PASTORAL WORK** (continued)

### ***Activities, achievements and performance*** (continued)

#### **Cardiff:**

Two projects funded by a Daughters of Charity are now registered and try to meet the needs of asylum seekers and refugees, in particular those who have been made destitute as a result of current government policy.

Space 4U is a drop-in centre providing a practical response including help and information, English classes, a clothing store, food store, recreational activities, refreshments and a hot meal. Average attendance at this session is 170. This is facilitated by approximately 40 volunteers and approximately 30% of them were asylum seekers and refugees. A highlight of the year was an away day for the teams which explored the experience of those using the project and revised the mission statement. Space 4U aims to ensure that dignity is maintained, hope is not lost, and justice is pursued. One asylum seeker said Space 4U helps everyone who comes not just me. Home 4U continues to provide accommodation using empty properties which are borrowed temporarily, at no cost. This year 10 men benefited from this in a four bedroom Roman Catholic Presbytery. The men were from Cameroon, Eritrea, Iran, Iraq, Nigeria and Sudan. Providing a period of respite, Home 4U empowers these men to consider the limited choices available to them and to make the best possible decisions for their future.

Both projects benefit from a wide network of individuals and organisations from other faith groups. Support is also given to the resettlement of refugees from Syria through the proposed use of another property and the involvement of parishes in support of the government's Syrian Vulnerable Persons Resettlements Scheme (SVPRS) and the Community Sponsorship Scheme. This Daughter of Charity has some involvement in Citizens UK and is a Diocesan Representative at the Office of Migration Policy (Catholic Bishops Conference).

## **3. PROJECTS AND SERVICES**

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

The Sisters provide nursing care to adults with acquired brain injury in Marillac Care, Warley, Essex. This establishment provides high quality care and welcomes people from all backgrounds and a potential resident's gender, ethnicity, religion or race does not form part of the assessment process.

Admission of a person is based purely on an assessment of his/her care and support needs and the ability of the service to provide the level of service appropriate to these needs. Service users are, in the majority, funded by local authorities and Clinical Commissioning Groups (CCGs) and admissions are not affected by an individual's personal economic status.

The Sisters also run a project named 'The Space' for the Romanian Roma community living in the Govanhill area of Glasgow, offering support and a signposting service regarding health care, education, social care, benefits, etc. They also highlight areas of injustice prevalent in this area of Glasgow e.g. rogue landlords.

### **3. PROJECTS AND SERVICES (continued)**

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

The objectives of the Trustees in this area include:

- To provide excellent nursing care within the national guidelines to all who come to Marillac Care.
- To ensure that the personal needs of all are met and that they enjoy as high a quality of life as possible.
- To ensure that Marillac Care meets all the requirements of the Care Quality Commission (CQC) and other regulatory bodies and that the recommendations arising from inspections are acted upon quickly and effectively.
- To ensure that both services and The Space in Glasgow are an integral part of the local community.
- To ensure that all services are underpinned by the Vincentian values and ethos of the Daughters of Charity of St Vincent de Paul.
- To ensure that staff and volunteers have opportunities for further training relevant to their employment.
- To maintain the financial security of the services through careful budgeting and by setting fees at levels that ensure the viability of the services is not threatened whilst not restricting access to those in need who would benefit from the care offered.
- To ensure the dignity of the human person is always a priority objective of everyone involved throughout the services.

#### **Marillac Care, Warley:**

Marillac Care is a Nursing Home in Essex which provides long-term continuing care, slow-stream rehabilitation, respite care and end-of-life care for 52 people with severe neurological and complex physical disabilities. It comprises of two units of 16 beds and one of 17 beds. There are also three one-bed bungalows allocated to one of the units. All units provide specialist nursing and rehabilitation services to clients with neuro based long term conditions, including traumatic and hypoxic brain injury, chronic medical conditions such as multiple sclerosis and motor neurone disease and other neuro based conditions presenting as complex care.



Residents' care is organised through an established nursing structure of qualified registered nurses, led by a unit nurse manager and co-ordinated by staff nurses. The registered nurses have appropriate training and they are supported by a team of health care support workers and care assistants who provide personal care and attention to the residents. A variety of therapists are also employed to ensure each resident achieves his/her potential.

### **3. PROJECTS AND SERVICES (continued)**

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

A resident Chaplain who is a Vincentian priest provides pastoral care to the residents, their families and staff. A local community of Sisters lives on site and their pastoral presence also contributes to the continuance of the Vincentian ethos, whilst one of the Sisters, Sister Catherine, has a specific role in responding to the pastoral needs of the residents, their families and staff. One member of the Congregation, Sister Mary, works as a part time occupational therapist and also delivers ethos and values training to employees.

Conscious that the level of expertise required for the running of such a service is complex and ever expanding the Trustees decided to enter into a one year consultancy agreement with Healthcare Management Trust (HMT). This arrangement started in 2016 and it is hoped we will reach an agreement in 2017 regarding the way ahead.



The aim of this agreement is to achieve the following outcomes:

- A strong functional and cohesive senior leadership team.
- A Marillac Care wide holistic care approach to each resident and their wider family.
- Clinical and care services which are consistently compliant with the Health and Social Care Act (Regulated Activities) 2008 Regulations 2014.
- A clearly articulated and documented 5 year strategic plan.
- A staff structure including management, supervision, functions, number, terms, conditions and H.R. practice that facilitates care and Marillac Care's wider objectives.
- Implementation of policies and practices that facilitate and are proportionate to the needs of Marillac Care.
- Wider community engagement.
- Promotion of Vincentian values.

### **4. CARING FOR MEMBERS OF THE CONGREGATION**

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

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

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

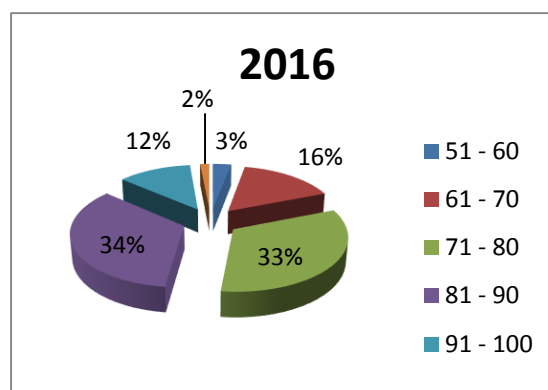
#### 4. CARING FOR MEMBERS OF THE CONGREGATION (continued)

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

The objectives of the Trustees in this area include:

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

AGE IN YEARS	NO. OF SISTERS
51-60	4
61-70	21
71-80	43
81-90	45
91-100	16
101 plus	2
<b>TOTAL</b>	<b>131</b>



##### **St Vincent's Home:**

St Vincent's Southport continues to benefit from the group of retired priests living in the local parish, who celebrate Mass on a daily basis for the Sisters and often join the Sisters for meals. The Sisters are becoming more and more frail and thus much attention is given to inviting people and groups into the Home. This year these have included a visiting pantomime, Banks Brass Band and New Dawn Choir.





#### **4. CARING FOR MEMBERS OF THE CONGREGATION** (continued)

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

###### **Seton Care Home:**



We received good news in July 2016 when we were inspected by the CQC and were delighted to be told that we had received the rating of Good in all areas.

We continue to welcome all who come to visit us and we enjoy visitors.

We have welcomed six Sisters into the Home throughout the year, two of whom, having received care and support were able to return home. The remaining four have now made Seton Care their permanent home.

We have also had an ongoing catalogue of internal decorating, repairs and new flooring that has been carried out to the communal areas and bedrooms.

We introduced our own newsletter which is published every quarter. The Sisters enjoy reading this along with other interesting articles and information.

The Sisters are all encouraged to participate in, and are supported to attend, any activities or places of interest they wish to attend. Some choose to maintain their usual routines within their community and this is respected.



#### **5. OVERSEAS MISSIONARY WORK**

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

The charity helps and supports Sisters working in healthcare, educational, social and pastoral fields in Ethiopia and Kenya, as well as responding to emergency appeals in countries in which the Sisters serve - for example, Syria.

The charity's missions in Ethiopia and Kenya are under the control of the Congregation and the financial support is used to fund social, educational and healthcare projects as well as contributing to the living expenses of the Sisters. Occasionally the charity gives financial support to Sisters living and working in countries which have become warzones, such as Syria.

This support enables the Sisters to continue to serve some of the poorest and most marginalised people in the above named countries, consistent with Gospel values and the constitutions of the Congregation.

The objectives of the Trustees in this area include:

- ◆ Through financial support, to ensure that the work of the Congregation in the above named countries continues and flourishes.



## 5. OVERSEAS MISSIONARY WORK (continued)

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

- ◆ To ensure that the Sisters serving in these countries have adequate living conditions and nutrition.
- ◆ To ensure that all monies donated are fully accounted for.
- ◆ To monitor regularly the services undertaken by the Sisters.

During the course of 2016, a few small fundraising events were organised in order to raise awareness of the poverty experienced by so many people in Ethiopia and to help fund the projects run by the Sisters in that country. Our Sisters have all returned home from Ethiopia.

The project highlighted this year was the Feeding Programme for young children attending the Montessori Kindergartens run by the Sisters in many parts of Ethiopia. The children experience real poverty in their lives and, in order to attend nursery, must walk long distances. The Sisters provide a hot meal for all the children which helps them not only physically but also educationally. Approximately £36,000 was raised this year for this Feeding Programme.

Regular donors continue to send money for specific projects, but the level of donations has significantly dropped during the course of 2016, reflecting the economic downturn in Britain.

Three Sisters from the British Province continue to work in the collaborative mission in Kenya, together with Sisters from Ireland, America, Nigeria, Ethiopia and now young Kenyan Sisters. Sister Eileen runs a hospice in Thigio, while Sister Liz now coordinates all the projects which require funding from overseas funding bodies. Sister Susan works with the young women during their seminary training to become Daughters of Charity.



*Young children in Montessori Nurseries in Ethiopia, enjoying a well-earned meal, having walked long distances to attend nursery*



### *Future developments*

All our Sisters from the British Province on mission in Ethiopia have now returned home, leaving approximately 60 Ethiopian Sisters ministering in education, nursing, pastoral and social care projects throughout the length and breadth of Ethiopia. It is indeed testament to the Sisters from the British Province that the Ethiopian Sisters are now independent in the running of their own Province. However, the strong links between the Sisters in Ethiopia and Britain will remain and financial support will continue to be sent.

## 5. OVERSEAS MISSIONARY WORK (continued)

### *Future developments (continued)*

During 2017, in order to grow the much younger Province in Kenya, the five provinces with responsibility for this mission, i.e. Britain, Ireland, two Provinces in America and Australia, will jointly consider how they can continue to support it financially. An agreement has been made by the five provinces to make a financial investment, the income of which will be used for the development of projects for vulnerable and poor people.

## ACTIVITIES IN SCOTLAND

### *Activities, achievements and performance*

#### **Social and pastoral work**

##### ♦ **Parish work**

Sisters living in Ayr, Glasgow, Lanark and Rosewell continued throughout the course of the year to undertake pastoral work in their local parishes. This involves visiting elderly and housebound people and bringing them Holy Communion when they cannot attend Mass in the parish church. They also support Sacramental Programmes for children and young people as they prepare to receive the Sacrament of Reconciliation, Eucharist and Confirmation. This support is extended to adults wishing to be baptised and take part in the Rite of Christian Initiation of Adults (RCIA) programme.

##### ♦ **Pastoral and catechetical work with people with learning disability**



One Sister is director of SPRED in the Galloway diocese. Sister Kathleen has a very dedicated group of volunteers who assist her in this ministry.

The SPRED ministry is a catechetical and pastoral programme supporting, encouraging and enabling the spiritual and personal development of children and adults who have special needs or learning difficulties offering friendship, inclusion and belonging as they work towards full inclusion in parish and community life. We extend a welcome to all who wish to take part. Volunteers from our parishes share life and faith together in a 1:1 partnership within the groups. Our outreach programme enables us to visit those with more complex needs or at times of particular need e.g. bereavement, health issues and social work review meetings.

This past year our seven groups have welcomed 42 adult 'friend' members and 60 volunteers. We have worked in three special schools this year and prepared five young boys for the sacraments. This was a great joy for their families. Colin a 'friend' member who had his 18<sup>th</sup> birthday spoke of the **Friendship** which coming to SPRED has afforded him. Marie the mother of one of the young boys who was confirmed and made his first Holy Communion spoke of the real sense of **Inclusion** her whole family felt when Ethan received the sacraments. Vincent a volunteer who joined SPRED after retiring said he experienced a real sense of **Belonging**, being part of a community again.

**ACTIVITIES IN SCOTLAND** (continued)

***Activities, achievements and performance*** (continued)

**Social and pastoral work** (continued)

♦ **Pastoral and catechetical work with people with learning disability** (continued)



Last Easter we were told by the local authority that we would have to vacate our present SPRED centre situated within Queen Margaret Academy as the school is to be rebuilt and will no longer accommodate us. We are now looking for new premises and have hosted several fundraising events.

**Project and services**

♦ **Hospital chaplaincy**

Sister Bridget works in the Princess of Wales Hospice in Glasgow and gives much comfort and a listening ear to those who are ill and extends this support to the families of those in the hospice or hospital.

***Caring for members of the Congregation***



St Catherine's Care Home in Lanark provides residential care for Sisters living in Scotland. Sisters living in the other Scottish houses situated in Glasgow, Ayr and Rosewell, often visit the Sisters in St Catherine's and in order to ensure that the elderly Sisters remain at the heart of the Province, St Catherine's is used as the venue for all community meetings held in Scotland.

St Catherine's Care Home will continue to provide an excellent standard of care for elderly Sisters; if and when beds are not occupied by members of the community, consideration will be given as to whether to offer them to members of other congregations or lay people.

The other houses owned and occupied by the Congregation in Scotland will be regularly inspected, to ensure that as the Sisters age, every facility necessary to maintain their independence will be considered.



## **ACTIVITIES IN SCOTLAND** (continued)

### ***Activities, achievements and performance*** (continued)

#### **Project and services** (continued)

##### **The Space, Govanhill, Glasgow**

2016 was the year that The Space strengthened its position within the community to enable greater and deeper levels of engagement with those we serve and it was also a time of sowing for a future filled with hope.

During 2016, our staff team grew from Sister Agnes and Margo to include Helen and Michelle as project workers. We also have two part time interpreters, Calina and Lamiita.



The work of the Community drop-in and Community Integration was consolidated and we developed Building Better Futures to develop personal growth, especially wellbeing, and personal skills, in particular, literacy. We now have over 50 women learning to read and write.

It was also the year we developed and clarified our project vision and mission for the future and outlined a new area for development, Building Community. This will focus on social cohesion, enabling people from different ethnic backgrounds to come together and identify shared values and build social trust.

It was also the year we moved to our new premises on Belleisle Street. This investment has enabled us to work at a more intense level with families and has opened up new horizons for the future.

Any reflection on The Space would be incomplete without mentioning the Vincentian values; they are the foundation on which everything has been built and we have learned much in the past year.

Our Vincentian values are the life blood of the project. From these values everything else flows and this challenges us and those we are alongside to be authentic, to be relational and to recognise the inherent value of every individual regardless of their ability or station in life.

The Space is about enabling families to live flourishing lives. This is our aspiration for those we serve and we begin this journey by forming relationships that are meaningful and based on truth, honesty, dignity, compassion, kindness and accountability.



## **ACTIVITIES IN SCOTLAND** (continued)

### ***Activities, achievements and performance*** (continued)

#### **Project and services** (continued)

##### **The Space, Govanhill, Glasgow** (continued)

It's in this offering, that people feel sufficiently safe to be vulnerable, to expose their brokenness and all the while knowing that they are not judged.

Such encounters are sacred. It is in these moments that we also recognise our own flawed humanity and come to a realisation that as we teach those we serve so we learn; as we support those we serve so we are enabled.

##### *Post balance sheet event*

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). Certain of the assets and liabilities of The Space, Govanhill were transferred to the new charitable company also (see note 26 to the attached accounts). The operations of the project were not affected by the transfer.

## **OTHER ACHIEVEMENTS AND PERFORMANCE**

### **Volunteers**

The Congregation's canonical constitution (25a) states:

*"It ( the Congregation) strives to retain the flexibility and mobility needed to respond to the church in the face of every form of poverty That is the spirit in which we live our lives."*

Throughout the year, the members of the Congregation give their time to assist people who are marginalised and in great need; the majority of members receive no financial reward for this work.

Visiting people in their own homes is an important part of general parish work and an example of the voluntary work undertaken by the Congregation. This includes visiting single mothers and young families but to a greater extent, elderly people living at home often alone or in residential care homes. For many of these people, a visit from one of the Sisters is the only human contact they have in the day. During the year some 10,000 home visits are carried out by approximately 30 members of the Congregation

A few members of the congregation also volunteer with Vincentian Care Plus, a domiciliary care service for elderly people in the Westminster area of London, started by the Daughters of Charity of St Vincent de Paul and now a charity in its own right. These Sisters do not provide the actual care but do add the plus to this service by spending quality time with elderly people who are often extremely lonely. The Sisters also purchase groceries for them, make them a cup of tea, read to them etc.

## **OTHER ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Volunteers** (continued)

In addition, 12 members work voluntarily full time in the administration of the Congregation and charity. Without their contribution, the charity would not be able to undertake its charitable works.

A number of Sisters are also engaged as Trustees in the various Vincentian charities.

The involvement and generosity of lay volunteers is crucial to the running of some of our services, for example, Marillac Care in Essex and The Space in Glasgow. There can be up to 10 volunteers on any given day giving valuable assistance to the people being cared for and/or supported through these services.

### **Grants and donations**

Grants, donations and other payments in support of missionary work and ministry are decided on by the Trustees in consultation with other members of the Congregation as appropriate. In the main, the charity support the work of the Congregation in overseas countries where there is the most need. Whilst the Trustees give occasional support to English, Scottish and Welsh organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and application for grants and donations are not invited.

## **INVESTMENTS**

### **Policy - listed investments**

The charity has a portfolio of listed investments with a market value of approximately £30 million.

The listed investments are managed by The Charities Property Fund, Hermes Investment Management Limited, Kames Capital, Eden Tree Investment Managers, Foreign and Colonial Investment Managers and Epworth Investment Management Limited, all of whom operate within specific guidelines which are set out and regularly reviewed by the Trustees.

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

The Trustees have set ethical restrictions on where their funds are invested.

The Catholic faith reveres the sanctity of life and therefore no investment is allowed in those companies:

- ◆ whose activities include direct participation in or support of the willful taking of life, including **abortion** and **euthanasia**. Direct participation in abortion may include, but not be limited to, companies involved in the manufacture of abortifacients and publicly held health-care companies that perform abortions.
- ◆ that manufacture **contraceptives** or derive greater than 10% of their reported annual revenue from the sale of contraceptives, even if they do not manufacture them.

## INVESTMENTS (continued)

### Policy - listed investments (continued)

- ◆ that engage in **scientific research on human fetuses** or embryos that (1) results in the end of pre-natal human life; (2) makes use of tissue derived from abortions or other life-ending activities; or (3) violates the dignity of a developing person. Specific activities covered by the policy will include:
  - ◇ Embryonic stem cell research
  - ◇ Foetal tissue research or stem cell research derived from embryos
  - ◇ Human cloning
- ◆ that derive any turnover from the production of **tobacco** or tobacco products.

The beneficiaries of the charity are those who are experiencing poverty in the world today. Therefore the charity will not invest in those companies that contribute to poverty such as those:

- ◆ that operate/own casinos or **gambling** arcades, or derive more than 10% of their reported annual revenue from gambling activities.
- ◆ whose policies are found to be **discriminatory against women**.
- ◆ who operate in Category A countries (as defined by Ethical Investment Research Services/Freedom House) but have provided no evidence of policies to manage **human rights** issues.
- ◆ that generate more than 10% of their reported revenue from **military weapons production or sales**.
- ◆ that are directly involved in the manufacture, sale, or use of anti-personnel **landmines**, or the development of weapons inconsistent with Catholic teaching on war (e.g. biological and chemical weapons, arms designed or regarded as first-strike nuclear weapons, indiscriminate weapons of mass destruction, etc.).
- ◆ that derive any of their reported revenue from products or services intended exclusively to appeal to a prurient interest in sex or to incite sexual excitement (**pornography**).
- ◆ whose policies are found to be **racially discriminatory** against people of varied ethnic and racial backgrounds.
- ◆ whose policies are found to be **exploitative of their labour**, especially with respect to human trafficking, poor treatment of labour, poor working conditions, and remuneration below the minimum wage.

## **INVESTMENTS** (continued)

### **Policy - listed investments** (continued)

On a more positive note, the Trustees try to invest in environmentally friendly and positive philanthropic activities.

The investment strategy is set by the Trustees and takes into account income requirements, the risk profile and the investment managers' views 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 the real capital value of the fund does not fall over any five year period.

The Trustees, or representatives of the Trustees, meet with the investment managers four times a year to review the performance of the portfolio and the investment strategy.

The performance of the charity's listed investments improved during the year as a result of rallies in most of the world stock markets. The Trustees consider that the performance demanded by their investment policy will continue to be achieved in the medium to long term.

### **Policy - investment land**

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

The Trustees concluded that the ownership of the land by the charity increased the complexity of negotiations with prospective purchasers and so sought to put in place an ownership structure that would facilitate any future negotiations that may be necessary.

After seeking professional advice, the Trustees decided that the prospects of disposing of the said land for development would be enhanced if it was owned by a commercial entity rather than a charity.

During 2011, the charity disposed of the land to its subsidiary undertaking, 1860 Limited, for an agreed disposal price of £6 million. The disposal was made only after having been granted an Order from the Charity Commission permitting the disposal dated 13 October 2010. The receipt by the charity of the proceeds of £6 million is dependent on the onward sale of the land for development by 1860 Limited and is secured by a formal charge over the land.

The land is owned with a view to disposal to one or more third parties for development. As a consequence, in the consolidated accounts, the land is classified as investment land. It is the intention of both the directors of 1860 Limited and the Trustees of the charity to continue to seek buyers for this land and hence to maximise its value to the company and, ultimately, for the benefit of the charity.



## **INVESTMENTS** (continued)

### **Investment performance**

During the year the charity's listed investments achieved an income yield of 3.27% (2015 – 3.44%). The investments increased in value and the capital yield for the year was 4.86% (2015 – 0.88%). At the end of the year the charity's portfolio of listed investments comprised 54% (2015 – 54%) UK equity unit trusts, 32% (2015 – 31%) UK fixed interest unit trusts and 14% (2015 – 15%) UK property unit trusts. Throughout the year the Trustees have continued to liaise closely with the charity's investment advisers and seek their advice.

## **FINANCIAL REPORT FOR THE YEAR**

A summary of the results for the year can be found on page 35 of the attached accounts.

Income for the year to 31 December 2016 totalled £8.74 million compared to £9.62 million in 2015. This decrease in income is due to St Joseph's Services becoming an independent charity on 1 April 2015 (total income for the 3 months to 31 March 2015 was £858,890).

Expenditure decreased from £12.68 million in 2015 to £10.15 million in 2016. As stated above, the impact of St Joseph's Services becoming independent has also impacted on expenditure with expenditure on St Joseph's being £2,547,348 in 2015. The net book value of the assets of St Joseph's Services was donated to the newly formed charity in 2015 and amounted to £1.74 million.

Once the expenditure of St Josephs is removed from the comparatives, expenditure is in line with last year, with expenditure being tightly controlled.

### **Reserves policy**

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

### **Financial position**

The balance sheet shows total reserves of £59.7 million (2015 - £59.8 million). Of this £6.5 million (2015 - £6.98 million) represents the accumulated net income of the residential, care and support services (including tangible fixed assets of £5.5 million (2015 - £5.8 million)), which has been designated by the Trustees for use by Marillac Care. In addition, it includes £336,789 which represents the building used by The Space, Govanhill.

A further £13.9 million (2015 - £14 million) is represented by tangible fixed assets used for the support of the Sisters and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund value cannot, therefore, be realised easily if needed to meet future contingencies.

## **FINANCIAL REPORT FOR THE YEAR (continued)**

### **Financial position (continued)**

The Programme Related Investment Fund amounts to £302,351 (2015 - £302,351). Two of the charity's properties continue to be used by St Joseph's Services, a separately registered charitable company, one as its head office and the other as a small residential care home for people with learning disabilities.

Funds of £23.2 million (2015 - £25.5 million) have been set aside in the Sisters' Care and Retirement Fund to provide for the Sisters holistic needs going into the future.

The value of the fund has been calculated actuarially to provide for each of the Province's 131 Sisters. Given the increasing age profile of the Sisters and the lack of new vocations, this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care.

A further £3 million (2015 – £2.5 million) has been set aside towards the costs of developing new initiatives and those projects newly established, as well as enhancing the properties used by the charity.

Finally, £1.7 million (2015 - £1.6 million) has been designated for use on specific projects by the Trustees. It is intended that such projects should principally be concerned with the missionary work of the Sisters overseas.

The endowment funds amounting to £448,991 (2015 - £448,991) comprise the Salisbury Fund, established in 1871 by a deed of trust when several properties located in Salisbury were gifted to the Congregation, and the Wigmore Street Trust Fund established in 1965. Administration of this latter fund was transferred to the charity during the year ended 31 December 2006 from the Westminster Roman Catholic Diocesan Trust.

Restricted funds comprising monies given specifically for overseas missionary work totalled £454,175 (2015 - £472,467) at the end of the year. Other small restricted funds totalled £162,505 (2015 - £157,941).

Funds available to support the work of the Sisters in the future are shown as general funds on the balance sheet and amount to £9.7 million (2015 - £7.8 million). This figure needs to be considered in the light of annual expenditure of £8.7 million. The Trustees consider that whilst this level of reserves is slightly in excess of that which is consistent with the policy as set out above, this is acceptable given the continuing political and economic uncertainties. The Trustees consider the charity's free reserves to be adequate but not excessive.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Governance**

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

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

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

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

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

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

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

#### ***Sister Moira Bain***

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

#### ***Sister Margaret Bannerton***

Sister Margaret Bannerton entered the Daughters of Charity of St Vincent de Paul in 1965. She initially worked in childcare and received a certificate in Residential Care of Children and Young People. She also holds a Bachelor of Philosophy in Educational Studies. She has worked with the Catholic Children Society and set up a Family Centre in the East End of London and a Credit Union in the East End of Glasgow. For the last 10 years she was the Director of a homecare service in Westminster. She was involved for nine years in the Province Leadership and was appointed as Province Bursar in June 2016.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

#### ***Sister Ellen Flynn***

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

#### ***Sister Kathleen Fox***

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

#### ***Sister Eileen Glancy***

Sister Eileen Glancy entered the Daughters of Charity of St Vincent de Paul in 1968. Having worked in childcare, she then qualified for teaching, receiving a B.Ed. degree and subsequently a diploma in the education of deaf children. She spent seven years teaching in a residential school for children with hearing impairment and a further three years teaching in a unit attached to the school for children with additional disabilities. Sister Eileen was then involved for nine years in the leadership team of the Province, after which she moved into parish administration, pastoral and catechetical work in parishes in Scotland. She was appointed Provincial Bursar in September 2006 and held that post until June 2016 when she retired also as a Trustee.

#### ***Sister Kay Harte***

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

#### ***Sister Kathleen Kennedy***

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

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

#### ***Sister Theresa Tighe***

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

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and expenditure of the group for that period.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Structure and Management Reporting**

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

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Structure and Management Reporting** (continued)

The British Province comprises 131 Sisters, in 22 houses, of which seventeen are situated in England, four in Scotland and one in Wales. These local communities are mostly situated in areas of towns and cities where it is believed that the Sisters can provide the greatest help to deprived and marginalised people. The Mission Statement states:

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

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

### **Key management**

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

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

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

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

### **Risk management**

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

- ◆ Governance and management
- ◆ Operational

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk management (continued)

- ◆ Financial
- ◆ Reputation
- ◆ Laws, regulations, external and environment

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

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

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

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

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

The Trustees regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified a number of key risks for the charity which are described below together with the principal ways in which they are mitigated:

#### ***Risk 1. The increasing age profile of the Province***

The average age of the Sisters in the Province at the end of 2016 was 79.06 years. The stark reality is that there are now more Sisters in residential care than there are under the age of 70 years. The risks entailed in this fact are multiple, as not only will the activities and ministries of the Sisters decrease, but the need for financial resources to pay for residential and nursing care costs will inevitably increase.

To mitigate the dilution of services for vulnerable people due to this increase in age and few, if any, younger women entering the Congregation, the Trustees created 'The Daughters of Charity of St Vincent de Paul Services' an "umbrella" charitable organisation formed to ensure the sustainability of projects and services started by the Congregation and that the values and ethos on which these services were built, remain strong and true ([www.dcsvp-services.org](http://www.dcsvp-services.org)). Three lay people sit on this Trustee Board along with eight Daughters of Charity and the number of lay trustees will hopefully rise during the course of 2017.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk management (continued)

#### ***Risk 1. The increasing age profile of the Province (continued)***

Regarding the ongoing care of the elderly members of the Congregation, the Trustees, as companions and friends for many years of all the elderly Sisters, desire to provide excellent care for them. The Trustees also know that there is both a moral and legal obligation to do so, as the Sisters do not have resources of their own, as all earnings, pensions and other income have been donated to the charity under a Deed of Covenant. Thus there is now a dedicated fund for this need, the value of which has been based on actuarial principles. Also, as previously stated on pages 12 to 14 the Trustees ensure that residential care of a high standard is delivered to those Sisters most in need of it, as well as ensuring that at least another three houses are fully equipped with all necessary aids and facilities to give elderly Sisters, not in need of care, but unable to fulfil active ministries, as much independence as possible.

#### ***Risk 2. Loss on investments***

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

#### ***Risk 3. Absence of employees who hold senior posts***

The Trustees are dependent on the professional expertise, hard work and loyalty of employees who undertake key roles within the Province. These include the Finance and Business Director, the Registered Care Managers of the three Care Homes and the Home Manager in Marillac Care.

The three Residential Care Managers are encouraged to keep in touch with each other and do come together for Care Home meetings. However, the fact that the Homes are situated in Essex, Southport and Lanark prevents the managers helping in another Home in the event of the absence of another manager. Thus, in each Home, senior staff are trained and equipped to substitute for the manager at any given time.

In the event of the Home Manager of Marillac Care having a prolonged absence, the Trustees are confident that a member of HMT would provide expertise in all relevant fields as well as other senior management staff in Marillac Care assuming more responsibility.

The absence of the Finance and Business Director is indeed the biggest risk regarding employees, as she holds much responsibility, expertise and knowledge. To counteract this, other members in the Finance Department have been trained in a variety of aspects of her role and the Provincial Bursar in others. The Trustees have the comfort of knowing that in the event of this director being absent for any length of time, Buzzacott LLP the Congregation's auditor, would provide advice.



## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Risk management** (continued)

#### ***Protection of children and vulnerable adults***

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

Professor Alexis Jay has been appointed by Her Majesty's Government to lead a public inquiry into institutional abuse of children (Independent Inquiry into Child Sexual Abuse). This inquiry is considered to be the most comprehensive ever commissioned by any government and is expected to run for at least five years.

There is also a Public Inquiry (The National Inquiry into Historical Abuse) commissioned by Scottish Ministers under the Inquiries Act 2005. Ms Susan O'Brien QC is the Chair of the Inquiry and the other members of the Panel are Mr Glenn Houston and Professor Michael Lamb. This Inquiry began taking evidence in March 2016.

Both Inquiries will inevitably be the focus of media attention. Consequently, the Trustees are conscious of the impact and importance of these inquiries and welcome the focus on victims and survivors of historic abuse.

#### ***Concern for the environment***

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

#### ***Public benefit***

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

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

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

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

Signed on behalf of the Trustees:

Sister Ellen T Flynn  
Trustee

Approved by the Trustees on: 19 July 2017

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

We have audited the accounts of Daughters of Charity of St Vincent De Paul Charitable Trust for the year ended 31 December 2016, which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, 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 FRS 102, 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 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 group's and 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 report of the Trustees 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 2016**

### **Opinion on accounts**

In our opinion the accounts:

- ◆ give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2016 and of the group's 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.

### **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 report of the Trustees is inconsistent in any material respect with the accounts; or
- ◆ sufficient and 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  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

25 July 2017

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

# Consolidated statement of financial activities Year to 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
<b>Income:</b>						
Donations and legacies	1	2,455,178	302,232	—	<b>2,757,410</b>	3,001,166
Investment income and interest receivable	2	924,347	56,124	—	<b>980,471</b>	1,039,612
Charges for residential, care and support services	3	4,871,846	—	—	<b>4,871,846</b>	5,241,237
Other income						
. Surplus on disposal of tangible fixed assets	4	10,589	—	—	<b>10,589</b>	236,123
. Miscellaneous income *		123,990	—	—	<b>123,990</b>	104,220
<b>Total income</b>		<b>8,385,950</b>	<b>358,356</b>	<b>—</b>	<b>8,744,306</b>	<b>9,622,358</b>
<b>Expenditure:</b>						
Cost of raising funds						
. Investment managers' fees*		33,283	2,006	—	<b>35,289</b>	35,525
Expenditure on charitable activities						
. Provision of residential, care and support services	5	5,496,442	112,549	—	<b>5,608,991</b>	6,184,350
. Support of members of the Congregation and their ministry	6	4,275,568	32	—	<b>4,275,600</b>	4,157,410
. Charitable grants and donations payable	7	27,751	206,837	—	<b>234,588</b>	2,307,168
<b>Total expenditure</b>		<b>9,833,044</b>	<b>321,424</b>	<b>—</b>	<b>10,154,468</b>	<b>12,684,453</b>
<b>Net (expenditure) income for the year before investment gains</b>		<b>(1,447,094)</b>	<b>36,932</b>	<b>—</b>	<b>(1,410,162)</b>	<b>(3,062,095)</b>
<b>Net investment gains</b>						
. Listed investments		1,354,339	—	—	<b>1,354,339</b>	298,483
<b>Net (expenditure) income for the year</b>	9	<b>(92,755)</b>	<b>36,932</b>	<b>—</b>	<b>(55,823)</b>	<b>(2,763,612)</b>
<b>Transfer between funds</b>	18	<b>50,660</b>	<b>(50,660)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds for the year</b>		<b>(42,095)</b>	<b>(13,728)</b>	<b>—</b>	<b>(55,823)</b>	<b>(2,763,612)</b>
<b>Reconciliation of funds:</b>						
Balances brought forward at 1 January 2016		58,693,299	630,408	448,991	<b>59,772,698</b>	62,536,310
Balances carried forward at 31 December 2016		<b>58,651,204</b>	<b>616,680</b>	<b>448,991</b>	<b>59,716,875</b>	<b>59,772,698</b>

\* In 2015 all miscellaneous income related to unrestricted funds and investment manager's fees of £35,525 comprised £33,589 in respect to unrestricted funds and £1,936 in respect to restricted funds.

## Consolidated statement of financial activities Year to 31 December 2016

With effect from 1 April 2015, the activities carried out by St Joseph's Services were transferred to St Joseph's Services, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC045482) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC500182). The assets and liabilities of St Joseph's Services were transferred to the new charitable company. The operations of St Joseph's Services were not affected by the transfer. The income and expenditure relating to St Joseph's Services are defined as discontinued activities within the Daughters of Charity of St Vincent de Paul Charitable Trust.

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). Certain of the assets and liabilities of The Space, Govanhill were transferred to the new charitable company also – details are provided in note 26 to these accounts. The operations of The Space were not affected by the transfer and the costs incurred by the Daughters of Charity of St Vincent de Paul Charitable Trust in respect to the transfer between 31 December 2016 and the date of the transfer were negligible and, as such, no provision has been made for them in these accounts. The income and expenditure relating to The Space are defined as discontinued activities within the Daughters of Charity of St Vincent de Paul Charitable Trust.

The impact on income and expenditure of the discontinued operations described above is summarised in the table below:

	2016			2015		
	Continuing £	Dis- continued £	Total £	Continuing £	Dis- continued £	Total £
<b>Income</b>	8,556,445	187,861	8,744,306	<b>8,575,438</b>	<b>1,046,920</b>	<b>9,622,358</b>
<b>Expenditure</b>	10,018,158	136,310	10,154,468	<b>10,029,395</b>	<b>2,655,058</b>	<b>12,684,453</b>
<b>Net (expenditure) income before investment gains</b>	(1,461,713)	51,551	(1,410,162)	<b>(1,453,957)</b>	<b>(1,608,138)</b>	<b>(3,062,095)</b>
<b>Net investment gains</b>	1,354,339	—	1,354,339	<b>298,483</b>	—	<b>298,483</b>
<b>Net movement in funds</b>	(107,374)	51,551	(55,823)	<b>(1,155,474)</b>	<b>(1,608,138)</b>	<b>(2,763,612)</b>

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

## Balance sheet 31 December 2016

	Notes	Group		Charity	
		2016	2015	2016	2015
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	13	<b>19,705,812</b>	19,851,808	<b>19,705,812</b>	19,851,808
Investments	14	<b>36,183,594</b>	35,326,591	<b>30,183,594</b>	29,326,591
		<b>55,889,406</b>	55,178,399	<b>49,889,406</b>	49,178,399
<b>Current assets:</b>					
Debtors					
. Amounts falling due within one year	15	<b>870,246</b>	878,742	<b>870,246</b>	878,742
. Amounts falling due after one year	15	<b>195,000</b>	85,000	<b>6,201,071</b>	6,091,071
		<b>1,065,246</b>	963,742	<b>7,071,317</b>	6,969,813
Short term deposits		<b>1,307,730</b>	1,273,688	<b>1,307,730</b>	1,273,688
Cash at bank and in hand		<b>2,089,730</b>	3,261,240	<b>2,089,730</b>	3,261,240
		<b>4,462,706</b>	5,498,670	<b>10,468,777</b>	11,504,741
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	<b>(635,237)</b>	(904,371)	<b>(635,237)</b>	(904,371)
<b>Net current assets</b>		<b>3,827,469</b>	4,594,299	<b>9,833,540</b>	10,600,370
<b>Total net assets</b>		<b>59,716,875</b>	59,772,698	<b>59,722,946</b>	59,778,769
<b>The funds of the charity:</b>					
<b>Capital funds</b>					
Permanent endowment funds	17	<b>448,991</b>	448,991	<b>448,991</b>	448,991
<b>Income funds</b>					
Restricted funds	18	<b>616,680</b>	630,408	<b>616,680</b>	630,408
Unrestricted funds					
. Tangible fixed assets fund	19	<b>13,870,732</b>	14,029,938	<b>13,870,732</b>	14,029,938
. Programme related investments fund	20	<b>302,351</b>	302,351	<b>302,351</b>	302,351
. Designated funds	21	<b>34,774,441</b>	36,560,708	<b>34,774,441</b>	36,560,708
. General fund		<b>9,703,680</b>	7,800,302	<b>9,709,751</b>	7,806,373
		<b>59,716,875</b>	59,772,698	<b>59,722,946</b>	59,778,769

Approved by the Trustees and signed on their behalf by:

Sister Margaret Bannerton  
Trustee

Approved by the Trustees on: 19 July 2017

## Consolidated statement of cash flows Year to 31 December 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,762,809)</b>	(3,939,327)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>931,491</b>	989,533
Bank interest received		<b>6,608</b>	12,918
Proceeds from the disposal of tangible fixed assets		<b>15,080</b>	431,827
Purchase of tangible fixed assets		<b>(825,174)</b>	(693,051)
Proceeds from the disposal of investments		<b>5,000,000</b>	1,004,045
Purchase of investments		<b>(4,502,664)</b>	(2,108)
<b>Net cash provided by investing activities</b>		<b>625,341</b>	1,743,164
<b>Change in cash and cash equivalents in the year</b>		<b>(1,137,468)</b>	(2,196,163)
<b>Cash and cash equivalents at 1 January 2016</b>	B	<b>4,534,928</b>	6,731,091
<b>Cash and cash equivalents at 31 December 2016</b>	B	<b>3,397,460</b>	4,534,928

Notes to the statement of cash flows for the year to 31 December 2016.

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

	2016 £	2015 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(55,823)</b>	(2,763,612)
<b>Adjustments for:</b>		
Depreciation charge	<b>778,843</b>	737,331
Gains on investments	<b>(1,354,339)</b>	(298,483)
Investment income receivable	<b>(931,491)</b>	(989,533)
Bank interest receivable	<b>(6,480)</b>	(13,046)
Surplus on disposal of tangible fixed assets	<b>(10,589)</b>	(236,123)
Increase in debtors	<b>(101,632)</b>	(326,156)
Decrease in creditors	<b>(81,298)</b>	(49,705)
<b>Net cash used in operating activities</b>	<b>(1,762,809)</b>	(3,939,327)

### B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<b>2,089,730</b>	3,261,240
Term deposits (less than three months)	<b>1,307,730</b>	1,273,688
<b>Total cash and cash equivalents</b>	<b>3,397,460</b>	4,534,928



**Basis of accounting**

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

**Basis of preparation**

These accounts have been prepared for the year to 31 December 2016 with comparative information given in respect to 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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

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

**Critical accounting estimates and areas of judgement**

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

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

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

### **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 2017, 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 sections of the Trustees' report for more information).

### **Basis of consolidation**

The accounts consolidate, on a line by line basis, the results of the charity and its wholly owned subsidiary company, 1860 Limited (see note 23), made up to the balance sheet date. Any intra-group transactions and balances are eliminated fully on consolidation.

A statement of financial activities for the charity alone has not been prepared. The charity had total income for the year of £8,744,307 (2015 - £9,374,298) and total expenditure of £10,154,468 (2015 - £12,684,453), resulting in a net expenditure of £1,410,161 (2015 - £3,310,155).

### **Discontinued activities**

Activities disposed of during the year or subsequent to the year end have been shown as discontinued activities.

### **Income recognition**

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

Income comprises donations and legacies, investment income and interest receivable, charges for residential, care and support services and other income including the surplus on the disposal of tangible fixed assets.

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

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

**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.

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

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

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

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

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

**Expenditure recognition**

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

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

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This relates to investment management fees only.

**Expenditure recognition** (continued)

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

Expenditure incurred in the provision of residential care and support services comprises all costs of providing nursing care for physically disabled persons at Marillac Care, Warley and the costs of providing services for people with learning disabilities, in line with the Care in the Community Act, at St Joseph's Services, Rosewell.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

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

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are included as a specific category within support costs.

Support are allocated to expenditure on charitable activities on the basis described in note 8 to these accounts.

**Tangible fixed assets**

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

◆ ***Voluntary-aided schools***

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

**Tangible fixed assets** (continued)

♦ ***Other freehold land and buildings***

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

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

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

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

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

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

**Tangible fixed assets** (continued)

♦ **Long leasehold property** (continued)

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

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

♦ **Furniture, plant and computer equipment**

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

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

♦ **Motor vehicles**

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

**Fixed asset investments**

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

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.

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

**Fixed asset investments** (continued)

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.

**Programme related investments**

Programme related investments comprise properties owned by the charity but occupied at a peppercorn rent by St Joseph's Services, Rosewell, a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by St Joseph's Services is consistent with the charitable objects of the charity and as such the properties are classified as programme related investments. They are stated at their book value as at 1 April 2015, the date on which the activities of St Joseph's Services were transferred from the charity and the date, therefore, on which the properties were reclassified by the charity from tangible fixed assets (i.e. functional properties) to programme related investments. No depreciation is charged on programme related investments. Impairment provisions, if any, are charged to the statement of financial activities when and if they arise and are classified as charitable expenditure.

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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

**Fund structure**

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

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

The tangible fixed assets fund represents the net book value of the tangible fixed assets used for the support of the Sisters and their ministry.

**Fund structure** (continued)

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

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

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

**Foreign currencies**

Income received, and costs incurred overseas, are translated into sterling at the rate of exchange in force at the year end. This policy does not comply with FRS 102, Section 30 which requires income and expenditure to be translated using the rate of exchange on the transaction date and amounts payable or receivable to be retranslated at the reporting date but has been adopted to avoid over-complexity. The amounts involved are not material, and the Trustees have therefore concluded that this departure does not prevent the accounts from presenting a true and fair view of the charity's financial position, financial performance and cash flows in the year ended 31 December 2016.

**Pension costs**

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

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

**Services provided by members of the Congregation**

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



## 1 Donations and legacies

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Salaries and pensions of individual religious	1,980,114	191	—	<b>1,980,305</b>	2,127,530
Legacies	394,681	—	—	<b>394,681</b>	518,790
Donations for the Congregation's overseas missions	—	134,267	—	<b>134,267</b>	167,630
Other donations	80,383	167,774	—	<b>248,157</b>	187,216
<b>2016 Total funds</b>	<b>2,455,178</b>	<b>302,232</b>	<b>—</b>	<b>2,757,410</b>	3,001,166
2015 Total funds	2,673,417	327,749	—	3,001,166	

## 2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Income from listed investments					
. UK fixed interest funds	309,869	19,210	—	<b>329,079</b>	370,522
. UK property funds	181,569	9,290	—	<b>190,859</b>	181,532
. UK equity funds	384,574	26,979	—	<b>411,553</b>	437,479
	<b>876,012</b>	<b>55,479</b>	<b>—</b>	<b>931,491</b>	989,533
. Income from programme related investments	42,500	—	—	<b>42,500</b>	37,033
Bank interest	5,835	645	—	<b>6,480</b>	13,046
<b>2016 Total funds</b>	<b>924,347</b>	<b>56,124</b>	<b>—</b>	<b>980,471</b>	1,039,612
2015 Total funds	984,204	55,408	—	1,039,612	

## 3 Charges for residential, care and support services

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Supported living and similar charges	—	—	—	—	852,177
Nursing home charges	4,871,846	—	—	<b>4,871,846</b>	4,389,060
<b>2016 Total funds</b>	<b>4,871,846</b>	<b>—</b>	<b>—</b>	<b>4,871,846</b>	5,241,237
2015 Total funds	5,241,237	—	—	5,241,237	

#### 4 Surplus on disposal of tangible fixed assets

Following a detailed review of future needs, the charity has disposed of a number of freehold properties. The surplus on disposal of tangible fixed assets, therefore, comprises the following:

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Surplus on disposal of freehold land and buildings	—	—	—	—	226,410
Surplus on disposal of other tangible fixed assets	10,589	—	—	10,589	9,713
<b>2016 Total funds</b>	<b>10,589</b>	<b>—</b>	<b>—</b>	<b>10,589</b>	<b>236,123</b>
2015 Total funds	236,123	—	—	236,123	

#### 5 Provision of residential, care and support services

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Staff costs	4,095,458	65,861	—	4,161,319	4,784,342
Premises	862,322	24,477	—	886,799	837,664
Provisions	143,248	—	—	143,248	133,522
Welfare of residents	195,450	3,084	—	198,534	152,067
Project costs	—	7,789	—	7,789	—
Other costs	142,542	11,338	—	153,880	157,853
Support costs (note 8)	57,422	—	—	57,422	118,902
<b>2016 Total funds</b>	<b>5,496,442</b>	<b>112,549</b>	<b>—</b>	<b>5,608,991</b>	<b>6,184,350</b>
2015 Total funds	6,142,901	41,449	—	6,184,350	

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

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Sisters' living and personal expenses	1,059,019	—	—	1,059,019	1,048,273
Premises	1,179,816	—	—	1,179,816	1,160,951
Staff costs	1,665,744	—	—	1,665,744	1,529,171
Spiritual renewal	140,069	—	—	140,069	135,841
Other costs	98,796	—	—	98,796	91,417
Support costs (note 8)	132,124	32	—	132,156	191,757
<b>2016 Total funds</b>	<b>4,275,568</b>	<b>32</b>	<b>—</b>	<b>4,275,600</b>	<b>4,157,410</b>
2015 Total funds	4,157,377	33	—	4,157,410	

## 7 Charitable grants and donations payable

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Donations to the Congregation's overseas missions:					
. Ethiopia	—	168,531	—	<b>168,531</b>	218,933
. Sierra Leone	—	—	—	—	617
. Haiti	—	4,388	—	<b>4,388</b>	1,317
. Iraq	—	300	—	<b>300</b>	1,000
. Bethlehem	—	2,067	—	<b>2,067</b>	3,098
. Kenya	—	10,488	—	<b>10,488</b>	5,805
. Vietnam	—	15,215	—	<b>15,215</b>	12,325
. Syria	—	5,586	—	<b>5,586</b>	2,375
. Jerusalem	—	—	—	—	1,377
. Lebanon	—	—	—	—	1,000
. Eritrea	—	—	—	—	875
. Nepal	—	140	—	<b>140</b>	—
The Vincentian Volunteers	5,000	—	—	<b>5,000</b>	2,000
St Vincent's Family Project	—	—	—	—	25,000
Vincentians in Partnership	12,000	—	—	<b>12,000</b>	12,000
Holy Cross Abbey	5,000	—	—	<b>5,000</b>	5,000
Out There Supporting Families of Prisoners Limited	—	—	—	—	250,000
Vincentian Care Plus Limited	—	—	—	—	1,000
St Joseph's Services	—	—	—	—	1,744,157
Other donations	5,751	122	—	<b>5,873</b>	19,289
<b>2016 Total funds</b>	<b>27,751</b>	<b>206,837</b>	<b>—</b>	<b>234,588</b>	<b>2,307,168</b>
2015 Total funds	2,058,446	248,722	—	2,307,168	

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

## 8 Support costs

Group	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2016 £	Total funds 2015 £
Legal and professional fees	17,571	51,598	69,169	178,092
Central administration	27,141	19,172	46,313	46,697
Bank charges	1,070	6,699	7,769	8,045
Governance (see below)	11,640	54,687	66,327	77,825
<b>2016 Total funds</b>	<b>57,422</b>	<b>132,156</b>	<b>189,578</b>	<b>310,659</b>

The above expenses have been analysed in detail and individual invoices, or groups of invoices, have been allocated as appropriate to either the provision of residential, care and support services or support of members of the Congregation and their ministry.

### Governance costs

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2016 £	Total funds 2015 £
Auditor's remuneration	33,240	—	—	33,240	36,170
Legal and professional	32,078	—	—	32,078	40,911
Central administration	1,009	—	—	1,009	744
<b>2016 Total funds</b>	<b>66,327</b>	<b>—</b>	<b>—</b>	<b>66,327</b>	<b>77,825</b>
2015 Total funds	77,825	—	—	77,825	

General solicitors' fees are apportioned to governance costs on the basis of the estimated time solicitors spend working on matters pertaining to the governance of the charity.

General administrative costs are apportioned to governance costs on the basis of the time staff spent working on governance issues.

## 9 Net (expenditure) income for the year

This is stated after charging:

Group	Total 2016 £	Total 2015 £
Staff costs (note 10)	5,827,063	6,313,513
Auditor's remuneration		
. Statutory audit services	21,600	25,770
. Non-statutory audit services	11,640	10,400
. Other services: tax compliance and sundry issues	—	4,020
Depreciation (note 13)	778,843	737,331

# **10 Staff costs and remuneration of key management personnel**

<b>Group</b>	<b>2016 £</b>	<b>2015 £</b>
Staff costs during the year were as follows:		
Wages and salaries	<b>4,703,248</b>	5,074,453
Social security costs	<b>346,320</b>	358,652
Other pension costs	<b>97,712</b>	93,685
	<b>5,147,280</b>	5,526,790
Agency staff	<b>679,783</b>	786,723
	<b>5,827,063</b>	6,313,513

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

Staff costs per function were as follows:

<b>Group</b>	<b>2016 £</b>	<b>2015 £</b>
Provision of residential, care and support services	<b>4,161,319</b>	4,784,342
Support of members of the Congregation and their ministry	<b>1,665,744</b>	1,529,171
	<b>5,827,063</b>	6,313,513

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

<b>Group</b>	<b>2016</b>	<b>2015</b>
£60,000 - £70,000	<b>1</b>	—
£70,000 - £80,000	<b>1</b>	—

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

<b>Group</b>	<b>2016</b>	<b>2015</b>
Provision of residential, care and support services	<b>207</b>	276
Support of members of the Congregation and their ministry	<b>113</b>	104
	<b>320</b>	380

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

<b>Group</b>	<b>2016</b>	<b>2015</b>
Provision of residential, care and support services	<b>147</b>	202
Support of members of the Congregation and their ministry	<b>82</b>	75
	<b>229</b>	277

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Finance and Business Director, the Project Leader of The Space, the Care Home Managers and the executive team of Marillac Care. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £405,478 (2015 - £334,401).

## 11 Trustees' expenses and remuneration and transactions with trustees

The charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No Trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2015 - 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 £62,323 (2015 - £62,463).

## 12 Taxation

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

## 13 Tangible fixed assets

Group and charity	Freehold land and buildings				Furniture plant and computer equipment £	Motor vehicles £	Total £
	Sisters' living accommo- -dation £	Supported living accommo- -dation £	Special needs accommo- -dation housing £	Long leasehold land and buildings £			
<b>Cost or valuation</b>							
At 1 January 2016	7,177,827	1,182,889	16,177,899	128,596	719,975	418,594	<b>25,805,780</b>
Additions	—	—	336,789	—	182,208	118,341	<b>637,338</b>
Disposals	—	—	—	—	(106,009)	(84,586)	<b>(190,595)</b>
At 31 December 2016	<u>7,177,827</u>	<u>1,182,889</u>	<u>16,514,688</u>	<u>128,596</u>	<u>796,174</u>	<u>452,349</u>	<b><u>26,252,523</u></b>
At deemed cost based on valuation in 1993	805,000	—	—	—	—	—	<b>805,000</b>
At deemed cost based on valuation in 1996	200,000	170,000	—	—	—	—	<b>370,000</b>
At deemed cost based on valuation in 1997	—	—	3,250,001	—	—	—	<b>3,250,001</b>
At cost	<u>6,172,827</u>	<u>1,012,889</u>	<u>13,264,687</u>	<u>128,596</u>	<u>796,174</u>	<u>452,349</u>	<b><u>21,827,522</u></b>
	<u>7,177,827</u>	<u>1,182,889</u>	<u>16,514,688</u>	<u>128,596</u>	<u>796,174</u>	<u>452,349</u>	<b><u>26,252,523</u></b>
<b>Depreciation</b>							
At 1 January 2016	—	200,614	5,011,762	—	434,841	306,755	<b>5,953,972</b>
Charge for the year	—	23,657	530,849	—	150,615	73,722	<b>778,843</b>
On disposals	—	—	—	—	(106,009)	(80,095)	<b>(186,104)</b>
At 31 December 2016	<u>—</u>	<u>224,271</u>	<u>5,542,611</u>	<u>—</u>	<u>479,447</u>	<u>300,382</u>	<b><u>6,546,711</u></b>
<b>Net book values</b>							
At 31 December 2016	<u>7,177,827</u>	<u>958,618</u>	<u>10,972,077</u>	<u>128,596</u>	<u>316,727</u>	<u>151,967</u>	<b><u>19,705,812</u></b>
At 31 December 2015	<u>7,177,827</u>	<u>982,275</u>	<u>11,166,137</u>	<u>128,596</u>	<u>285,134</u>	<u>111,839</u>	<b><u>19,851,808</u></b>

### 13 Tangible fixed assets (continued)

#### *Group and charity*

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

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

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

#### *Capital commitments*

At 31 December 2016 the group and charity had no capital commitments (2015 - £nil).

### 14 Investments

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Investment land	6,000,000	6,000,000	—	—
Listed investments	29,881,243	29,024,240	29,881,243	29,024,240
Programme related investments	302,351	302,351	302,351	302,351
	<b>36,183,594</b>	<b>35,326,591</b>	<b>30,183,594</b>	<b>29,326,591</b>

#### *Investment land*

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
At 1 January 2016 and at 31 December 2016	<b>6,000,000</b>	6,000,000	—	—

## 14 Investments (continued)

### *Investment land (continued)*

The charity has owned and occupied land at Lanark, Scotland since 1949 and for many years the Sisters operated an orphanage and a hospital on the site. Since the closure of the orphanage and hospital, the charity has been exploring how best to utilise the land for the benefit of its charitable objects. Initially, this involved discussions with a property developer about a disposal of the land for residential property development. Unfortunately, the collapse of the housing market and the severe financing restrictions since 2008 have prevented a disposal for this purpose. For the accounting period ended 31 December 2010, the land was included within the charity's accounts as a tangible fixed asset at a £nil value after an impairment provision was made against its value following the demolition of St Mary's Hospital.

During the year ended 31 December 2011, the Trustees concluded that the ownership of the land by the charity increased the complexity of negotiations with prospective purchasers and so sought to put in place an ownership structure that would facilitate any future negotiations that may be necessary. After seeking professional advice, the Trustees decided that the prospects of disposing of the said land for development would be enhanced if it was owned by a commercial entity rather than a charity.

Hence, during 2011 the charity disposed of the land to its subsidiary undertaking, 1860 Limited, for an agreed disposal price of £6 million. The disposal was made only after having been granted an Order from the Charity Commission permitting the disposal dated 13 October 2010. The receipt by the charity of the proceeds of £6 million is dependent on the onward sale of the land for development by 1860 Limited and is secured by a formal charge over the land.

The land is now owned with a view to disposal to one or more third parties for development by 1860 Limited. As a consequence, in the 2011 consolidated accounts, the land was reclassified as investment land and it is included now on the balance sheet at its estimated market value of £6 million based on disposal for development and the likelihood of residential planning consent being granted.

### *Listed investments*

<b>Group and charity</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Listed investments</b>		
Market value at 1 January 2016	<b>29,024,240</b>	29,727,694
Additions	<b>4,502,664</b>	2,108
Disposals at opening book value (proceeds: £5,000,000, loss: £29,617)	<b>(5,029,617)</b>	(959,181)
Net gains on revaluation	<b>1,383,956</b>	253,619
Market value at 31 December 2016	<b>29,881,243</b>	29,024,240
Cost of listed investments at 31 December 2016	<b>26,246,198</b>	25,550,290



## 14 Investments (continued)

### *Listed investments (continued)*

Listed investments held at 31 December 2016 comprised the following:

Group and charity	2016 £	2015 £
UK fixed interest unit trusts	9,595,171	9,116,754
UK equities (including equity based unit trusts)	15,984,255	15,682,278
UK property unit trusts	4,301,817	4,225,208
	<b>29,881,243</b>	<b>29,024,240</b>

At 31 December 2016 listed investments included the following individual holdings, all of which are deemed material holdings in the context of the entire portfolio valuation as at that date:

Group and charity	Market value of holding £	Percentage of portfolio %
The Charity Property Fund	1,969,583	6.59%
Hermes Property Unit Trust	2,332,234	7.81%
Ethical Corporate Bond Fund Class B (Income)	9,595,171	32.11%
Affirmative Equity Fund for Charities	6,949,549	23.26%
Foreign & Colonial UK income Fund	4,448,114	14.89%
Amity UK Fund (B Class Income Shares)	4,572,683	15.30%

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

### *Programme related investments*

	2016 £	2015 £
Carrying value at 1 January 2016	302,351	—
Transfer from tangible fixed assets (note 13)	—	302,351
Carrying value at 31 December 2016	<b>302,351</b>	<b>302,351</b>

With effect from 1 April 2015, the activities of St Joseph's Services, Rosewell were transferred from the charity to a newly incorporated charitable company registered with the Office of the Scottish Charity Regulator. At that date, two of the properties owned by the charity but occupied by St Joseph's Services, Rosewell at a peppercorn rent were reclassified as programme related investments in these accounts, having previously been classified as functional freehold properties used for supported living within tangible fixed assets (see note 13). The programme related investments were transferred from tangible fixed assets at their book value as at 1 April 2015.

## 15 Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Residential and care home fees	585,666	483,521	585,666	483,521
Prepayments and accrued income	200,219	376,395	200,219	376,395
Loans	60,000	—	60,000	—
Other debtors	24,361	18,826	24,361	18,826
	<b>870,246</b>	<b>878,742</b>	<b>870,246</b>	<b>878,742</b>
<b>Amounts falling due after more than one year:</b>				
Amounts due from subsidiary undertaking	—	—	6,006,071	6,006,071
Loans	195,000	85,000	195,000	85,000
	<b>195,000</b>	<b>85,000</b>	<b>6,201,071</b>	<b>6,091,071</b>
	<b>1,065,246</b>	<b>963,742</b>	<b>7,071,317</b>	<b>6,969,813</b>

Amounts due from the subsidiary undertaking include £6 million being the proceeds from the disposal of land situated in Lanarkshire, Scotland to 1860 Limited. This disposal was made only after having been granted an Order from the Charity Commission dated 13 October 2010. The receipt of the proceeds by the Daughters of Charity of St Vincent de Paul Charitable Trust is dependent upon the onward sale of the land for development by 1860 Limited which is not expected within the next twelve months. The debt is secured by a formal charge over the land (see note 14).

In addition, amounts due from the subsidiary undertaking include accrued interest of £6,071, (2015 – £6,071) on a loan advanced to 1860 Limited to provide financial support for ongoing negotiations for the onward sale of the land to developers. The loan principal of £150,000 was repaid in 2014. The interest outstanding is subject to interest accruing at a rate of one percent above the base rate of Barclays Bank plc and is secured by a floating charge over present and future undertakings and assets of 1860 Limited. The accrued interest outstanding at 31 December 2016 will be held as a debt until the land is sold when it will be repaid from the net sale proceeds.

Loans comprise a loan of £85,000 (2015 - £85,000) secured against a freehold property situated in Dursley, Gloucestershire. The loan, which is interest free, was to enable a beneficiary of the charity to purchase the freehold property. Under a legal agreement, the beneficiary is able to reside in the property for the remainder of their life. The loan is repayable on the death of the beneficiary from the proceeds of the sale of the property or at an earlier date should the beneficiary decide to vacate the property.

An interest free loan of £100,000 (2015 - £nil) was advanced during the year for a period of two years ending on 12 June 2018 to Vincentian Care Plus. Should the loan or any part thereof remain outstanding at 12 June 2018, the loan will become repayable on demand and will carry an interest charge of one percent above the Bank of England base rate. An additional interest free capital bridging loan has been advanced to Vincentian Care Plus to the value of £60,000. The loan is repayable as soon as funds are available or on demand. Should the loan not be repaid within two years it will carry an interest charge of one percent above the Bank of England base rate.

An interest free loan of £10,000 (2015 - £nil) was made to a family member of a Sister of the Congregation. This is repayable on the sale of a property which is not expected to occur until 2018.

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

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Residential and support establishment fees in advance	<b>17,800</b>	14,829	<b>17,800</b>	14,829
Expense creditors	<b>163,386</b>	347,449	<b>163,386</b>	347,449
Social security and other taxes	<b>77,724</b>	67,829	<b>77,724</b>	67,829
Other creditors	<b>27,111</b>	14,605	<b>27,111</b>	14,605
Monies administered by the charity on behalf of individual members of the Daughters of Charity of St Vincent de Paul	<b>80,598</b>	122,164	<b>80,598</b>	122,164
Money held on behalf of the Ethiopian Province of the Daughters of Charity of St Vincent de Paul	<b>86,000</b>	85,865	<b>86,000</b>	85,865
Grants payable	<b>136,000</b>	206,000	<b>136,000</b>	206,000
Accruals	<b>46,618</b>	45,630	<b>46,618</b>	45,630
	<b>635,237</b>	904,371	<b>635,237</b>	904,371

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
<b>Reconciliation of residential and support establishment fees in advance</b>				
At 1 January 2016	<b>14,829</b>	77,916	<b>14,829</b>	77,916
Fees deferred in the year	<b>17,800</b>	14,829	<b>17,800</b>	14,829
Amounts released	<b>(14,829)</b>	(77,916)	<b>(14,829)</b>	(77,916)
At 31 December 2016	<b>17,800</b>	14,829	<b>17,800</b>	14,829

**17 Permanent endowment funds**

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

Group and charity	At 1 January 2016 £	Income £	At 31 December 2016 £
Salisbury fund	254,175	—	<b>254,175</b>
Wigmore Street Trust fund	194,816	—	<b>194,816</b>
	<b>448,991</b>	—	<b>448,991</b>

### 17 Permanent endowment funds (continued)

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

The Wigmore Street Trust fund was established on 2 May 1965 by deed of trust. On 9 June 2005 the administration of the trust was transferred from the Westminster Roman Catholic Diocesan Trust to the Daughters of Charity of St Vincent de Paul to be held as an endowment in perpetuity.

### 18 Restricted funds

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

Group and charity	At 1 January 2016 £	Income £	Expenditure £	Transfers £	At 31 December 2016 £
Mission funds					
. Ethiopian	463,914	160,951	(170,537)	(2,830)	451,498
. Mission funds	8,553	29,631	(38,337)	2,830	2,677
Other restricted funds	157,941	167,774	(112,550)	(50,660)	162,505
	630,408	358,356	(321,424)	(50,660)	616,680

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

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

### 19 Tangible fixed asset fund

Group and charity	At 1 January 2016 £	Movements in year £	At 31 December 2016 £
Tangible fixed assets fund	14,029,938	(159,206)	13,870,732

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

## 20 Programme related investments fund

Group and charity	At 1 January 2016 £	Movement in year £	At 31 December 2016 £
St Joseph's Services property	302,351	—	302,351

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

## 21 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:

Group and charity	At 1 January 2016 £	New designations £	Utilised/ released £	At 31 December 2016 £
Sisters' care and retirement fund	25,474,000	—	(2,311,000)	23,163,000
Residential care and support services fund	6,980,556	—	(476,578)	6,503,978
Development fund	2,500,000	500,000	—	3,000,000
Project fund	1,598,476	140,535	—	1,739,011
The Space fund	7,676	360,776	—	368,452
	36,560,708	1,001,311	(2,787,578)	34,774,441

The funds have been designated for the following purposes:

### ♦ *Sisters' care and retirement fund*

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

### ♦ *Residential, care and support services fund*

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

### ♦ *Development fund*

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

### ♦ *Project fund*

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

### ♦ *The Space fund*

The Space fund represents the net assets of The Space, Govanhill operated by the charity. This fund has been set aside for the use of The Space, Govanhill only.

## 22 Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Net current assets £	Total net assets £
<b>Capital funds</b>				
Endowment funds	—	—	448,991	<b>448,991</b>
<b>Income funds</b>				
Restricted funds	—	—	616,680	<b>616,680</b>
Unrestricted funds				
. Tangible fixed assets fund	13,870,732	—	—	<b>13,870,732</b>
. Programme related investments fund	—	302,351	—	<b>302,351</b>
. Designated funds	5,835,080	27,739,506	1,199,855	<b>34,774,441</b>
. General fund	—	8,141,737	1,561,943	<b>9,703,680</b>
	<b>19,705,812</b>	<b>36,183,594</b>	<b>3,827,469</b>	<b>59,716,875</b>

The total unrealised gains as at 31 December 2016 constitutes movements on revaluation and are as follows:

Group	2016 £	2015 £
Unrealised gains included above:		
On investments	<b>3,635,045</b>	3,473,949
Reconciliation of movements in unrealised gains		
At 1 January 2016	<b>3,473,949</b>	3,070,667
In respect to disposals in the year	<b>(1,222,860)</b>	149,663
Add: Net gains arising on revaluation	<b>1,383,956</b>	253,619
At 31 December 2016	<b>3,635,045</b>	3,473,949

Charity	Tangible fixed assets £	Investments £	Net current assets £	Total net assets £
<b>Capital funds</b>				
Endowment funds	—	—	448,991	<b>448,991</b>
<b>Income funds</b>				
Restricted funds	—	—	616,680	<b>616,680</b>
Unrestricted funds				
. Tangible fixed assets fund	13,870,732	—	—	<b>13,870,732</b>
. Programme related investments fund	—	302,351	—	<b>302,351</b>
. Designated funds	5,835,080	27,739,506	1,199,855	<b>34,774,441</b>
. General fund	—	2,141,737	7,568,014	<b>9,709,751</b>
	<b>19,705,812</b>	<b>30,183,594</b>	<b>9,833,540</b>	<b>59,722,946</b>

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

The total unrealised gains as at 31 December 2016 constitutes movements on revaluation and are as follows:

Charity	2016 £	2015 £
Unrealised gains include above on:		
On investments	<b>3,635,045</b>	3,473,949
Reconciliation of movements in unrealised gains		
At 1 January 2016	<b>3,473,949</b>	3,070,667
In respect to disposals in the year	<b>(1,222,860)</b>	149,663
Add: Net gains arising on revaluation	<b>1,383,956</b>	253,619
At 31 December 2016	<b>3,635,045</b>	3,473,949

## 23 1860 Limited

The charity has a wholly owned subsidiary, 1860 Limited, Company Registration No. 7258317 (England and Wales). 1860 Limited is a property development company established with a view to facilitating the disposal for development purposes of land owned previously by the Daughters of Charity of St Vincent de Paul Charitable Trust.

In January 2011, the Daughters of Charity of St Vincent de Paul sold land situated in Lanarkshire, Scotland to 1860 Limited for the sum of £6 million. This disposal was made only after having been granted an Order from the Charity Commission dated 13 October 2010. The receipt of the proceeds by the Daughters of Charity of St Vincent de Paul Charitable Trust is dependent upon the onward sale of the land for development by 1860 Limited but is secured by a formal charge over the land. The land is classified in the group balance sheet as investment property (note 14).

During 2011, the Daughters of Charity of St Vincent de Paul Charitable Trust agreed to advance £150,000 to 1860 Limited to provide it with the necessary financing to enable it to negotiate the onward sale of the land to developers. The loan was subject to interest at 1% above the base rate of Barclays Bank plc. The loan principal of £150,000 was repaid in 2014. The accrued interest is secured by a floating charge over the assets of the company. The accrued interest is repayable, at the latest, on the onward sale of the land (note 15).

1860 Limited had no income during the year (2015 – £nil) and incurred no expenditure (2015 – £nil). A summary of the company's statement of financial position at 31 December 2016 is given below. Accounts will be filed with the Registrar of Companies. The company's registered office is Provincial House, The Ridgeway, Mill Hill, London, NW7 1RE.

**23 1860 Limited (continued)**

	2016 £	2015 £
<b>Statement of financial position</b>		
Investment – land at Lanark, Scotland	6,000,000	6,000,000
Debtors	1	1
Creditors – amount falling due after one year		
. Amount due to parent undertaking	(6,006,071)	(6,006,071)
<b>Total net assets</b>	<b>(6,070)</b>	<b>(6,070)</b>
	2016 £	2015 £
<b>Capital and reserves</b>		
Called up share capital		
1 ordinary share of £1	1	1
Retained earnings	(6,071)	(6,071)
<b>Total shareholder's funds – equity interests</b>	<b>(6,070)</b>	<b>(6,070)</b>

**24 Connected organisations**

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

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

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

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

During the year the Charitable Trust gave a donation of £nil (2015 - £25,000) to St Vincent's Family Project to be applied towards core costs.

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

During the year the Charitable Trust gave a donation of £nil to Vincentian Care Plus Limited (2015 - £1,000).



**24 Connected organisations (continued)**

- ◆ During the year the Charitable Trust advanced an interest free loan of £100,000 to Vincentian Care Plus. The loan was for a period of two years ending on 12 June 2018. Should the loan or any part thereof remain outstanding at 12 June 2018, the loan will become repayable on demand and will carry an interest charge of one percent above the Bank of England base rate. In addition, the Charitable Trust advanced an additional interest free capital bridging loan of £60,000 to Vincentian Care Plus. This loan is repayable as soon as funds are available or on demand. Should the loan not be repaid within two years it will carry an interest charge of one percent above the Bank of England base rate.

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

During the year the Charitable Trust gave a donation of £nil (2015 - £250,000) to "Out There" to be applied towards core and salary costs.

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

During the year the Charitable Trust gave a donation of £5,000 (2015 - £2,000) to the Vincentian Volunteers.

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

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

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

There were no transactions between the Charitable Trust and the charity during the year.

## 24 Connected organisations (continued)

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

During the year the Charitable Trust gave a donation of £12,000 (2015 - £12,000) to VIP.

## 25 Ultimate control

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

## 26 Post balance sheet event

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). Certain of the net assets of The Space, Govanhill were transferred to the new charitable company also as at 1 April 2017. These are detailed below:

	£
Cash at bank and in hand	128,765
The net assets transferred represented:	£
Restricted funds	89,273
Designated funds	39,492
	128,765

The operations of The Louise Project Limited (formerly The Space, Govanhill) were not affected by the transfer. The income and expenditure relating to The Space, Govanhill for the period until the transfer are defined as relating to discontinued activities within these accounts.