

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

**Annual Report and Consolidated  
Accounts**

31 December 2017

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

## Contents

### Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	3
Independent auditor's report	32

### Accounts

Consolidated statement of financial activities	35
Balance sheets	37
Consolidated statement of cash flows	38
Principal accounting policies	39
Notes to the accounts	48

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

<b>Trustees</b>	Sister Moira Bain Sister Margaret Bannerton Sister Ellen T Flynn Sister Kathleen Fox Sister Kay Harte Sister Kathleen Kennedy Sister Theresa Tighe
<b>Sister Provincial</b>	Sister Ellen Flynn
<b>Provincial Bursar</b>	Sister Margaret Bannerton
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<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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33 Margaret Street  
London  
W1G 0JD

Hermes Investment Management Limited  
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### Solicitors

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Blythswood Square  
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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 2017.

The accounts have been prepared in accordance with the accounting policies set out on pages 39 to 47 of the attached accounts and comply with the charity's trust deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

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

The 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.

## 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.

## 2. SOCIAL AND PASTORAL WORK (continued)

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

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

The objectives of the Trustees in this area include:

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



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

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

#### ***500 Scarves for Calais***

Sisters organised a project to knit 500 scarves for lone children in Calais for Christmas.



socks, 150 pairs of gloves and hats and a selection of babies' booties. Since then Sisters have sent off about 50 more scarves and hats. All knitted pieces of clothing were sent via the charity called 'Hull for Refugees'.

To meet this target, Sisters involved the local community, and St Mary's School, Parishioners at St Charles knitting club and organised another local knitting group. The Sisters with the help of the community managed to finish the project by 9 December. They even exceeded their target as they managed to collect 700 scarves, plus 100 pairs of knitted



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

Two projects were funded by the charity. These 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 for U 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.

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

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

The mission in Abbey Wood was opened on 22 September 2013. Two Sisters were joined by a third in January 2013 and a Sister from the Nigerian Province joined in January 2016. One of the original group was recently missioned to Scotland, consequently Abbey Wood no longer has a Sister working in Greenwich.



The Sisters support the Nigerian Vincentian priests in three parishes, St Benet's with an annex in St John Fisher, St Paul's, and St David's. The Nigerian Sister volunteers as a teacher in one of the primary schools and in St Paul's Academy, which is a secondary school. In both places she is involved in outreach to the children's families. Sister is also frequently invited by various groups and organisations as a consultant regarding cultural issues which may arise. She is also an advisory member to the

Daughters of Charity serving with the United Nations as well as an academic advisor for the Hilton Religious Life project in Africa.

Sisters visit the local care homes and two Sisters are voluntary chaplains in a hospice, which is situated in St Benet's parish, where they get involved in day care projects for cancer patients.

Sisters work closely with the St Vincent de Paul Society, by serving families who may be undocumented and are struggling because of their inability to claim welfare benefits. Sisters also, with a help from a lawyer, advocate for disabled people. One Sister works in conjunction with the Legion of Mary and she refers elderly people who welcome support from the church.

Sisters have a mini food bank which is well used, especially in winter. The local catholic schools donate their harvest festival food to the food bank. Sisters also help families with financial donations.

### **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).

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

### **Response to human trafficking:** (continued)

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.

### **A New Vision:**

In April we began a process of Discernment, to revise our service to and for the poor, maximising our potential for collaboration and impact, and ensuring that our present resources are being wisely used in respect of our older Sisters and our ageing profile. Responding to our international agenda entitled 'Boldness of Charity for a New Missionary Momentum', we as a Province embraced this challenge.

We have created a new impetus to grasp our realities and look to the longer-term future, sharpening our focus, taking note of the sustainability of our current ministries and our Province statistics.

We are creating a new vision for the next ten years, working together to ensure that our service continues to be at the heart of our existence. We currently have a large number of Sisters involved in a discernment process covering the following objectives taken from our Province Plan:

1. Engage in further review of ministries, locations and local communities
2. Review models and approaches to health and care in support of all our Sisters
3. Select priorities for the service of trafficked people, migrants, refugees, asylum seekers and homeless people
4. Create a seamless, lifelong formation programme

Objective 3 is part of a global Vincentian Initiative called 'Welcoming the Stranger' aimed at the alleviation of suffering of people experiencing homelessness of all kinds.

It is expected that the above initiatives will give rise to a radical programme for change and rationalisation over the coming years.

### 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. This project became an independent charity from 1 April 2017.

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 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 and fast-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.

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

#### **Marillac Care, Warley: (continued)**

There are also three one-bed bungalows allocated to one of the units which are part of the integrated care pathway model of care and allows residents to be assessed in a unit designed for after service assessment. All units provide specialist nursing and rehabilitation services to clients with neurological 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. Marillac Care was designed for younger adults with disabilities and although it still predominantly receives referrals for this age range client group it treats every referral as individual and will provide an assessment on the needs and identify through this whether it is the right place for individuals regardless of age, race, religion or creed.



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.

Therapy is provided by a full team of qualified physiotherapists, occupational therapists and speech and language therapists. These qualified therapists are supported by a full team of specific therapy assistants. Marillac Care employs a part time psychologist to provide support to residents, families, carers and staff. It is lucky to have an activities team who host residents' activities throughout the week and host entertainment parties and shows for the residents by outside performers. The activities team works with a dedicated team of volunteers who at the last count numbered approximately 80. Together the activities team and volunteers host around 1,000 resident contacts each month.

#### ***Pastoral care and community:***

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.

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

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

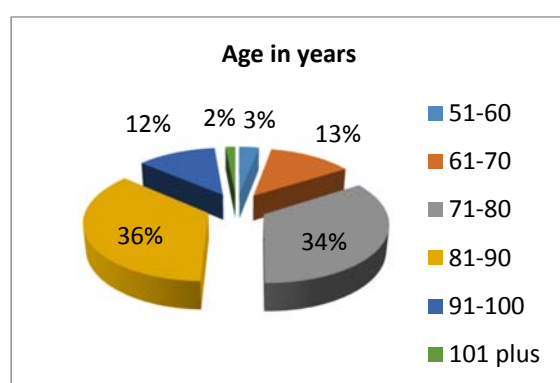
As the average age of the Sisters increases, the need to provide residential care and support at home for elderly and frail Sisters grows each year. Thus, several Sisters are involved directly or indirectly in this ministry and much attention is given to the provision of high quality accommodation. The 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.

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.

We are trying to make greater efforts to offer the Sisters in our care homes the opportunity to participate more fully and to interact in the life of the Province by using social media.



Age in years	No. of Sisters
51-60	4
61-70	17
71-80	45
81-90	47
91-100	16
101 plus	2
	<b>131</b>

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

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

###### **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.



*Special events  
celebrated during the  
year*



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

Seton Care Home is attached to Marillac Care. It accommodates twelve Sisters who require residential care. Although it is a separate unit, the Sisters are encouraged to participate in the wide ranging social activities held in the Marillac. The Sisters are visited by Sisters from our other houses.



#### 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.



## 5. OVERSEAS MISSIONARY WORK (continued)

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

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.
- 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 2017, 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.

Places of education	No. of centres	No. of students
Kindergartens with feeding programme	14	2,193
Primary schools (grades 1 – 8)	6	3,891
Secondary school (grades 9 – 12)	1	528
Montessori training institute	1	50
Vocational training/skills training	4	690
Educational sponsorship	Various parts of the country	1,552
Children with special needs	1	12
Hostel for girls	3	61
<b>Total</b>		<b>8,977</b>

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 £33,360 was raised this year for this Feeding Programme. Regular donors continue to send money for specific projects.





## 5. OVERSEAS MISSIONARY WORK (continued)

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

In Ethiopia, the Sisters run three general clinics, two eye clinics and a dedicated HIV/AIDS prevention, care and support clinic. In the last year close to three thousand patients had their eyesight restored in our eye clinics, had cataracts removed and some were treated for glaucoma. Over 30,000 received primary eye care. Another 35,500 people were given prevention education in the clinics and outstations. In general clinics over 20,000 patients were treated in the year in addition to another 6,000 – 7,000 in outstations. The clinics also offer laboratory services and programmes in general health, counselling, malnutrition and child care. In the HIV/AIDS clinic several related programmes are given to those who are affected by the disease and their families. Currently, there are 176,000 direct beneficiaries and including families 704,800 indirect beneficiaries.

Community development is also an important ministry in all the missions. Vocational skills training is given to young women who have dropped out of school. There are saving and credit schemes which enable people to get started on income generating activities so that they become self-sufficient in supporting themselves and their families. There are programmes for street children, orphans, people suffering disabilities and support given to the elderly who have no one in a position to support them. Some have the responsibility of bringing up grandchildren because the parents have died



Many poor people have benefited from the community development programmes over the years.



Two 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 oversea funding bodies. Sister Susan has returned home due to ill health.

## 5. OVERSEAS MISSIONARY WORK (continued)

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

We have a large number of volunteers and associates who work alongside us throughout the Province. These volunteers have been faithful to our mission and values over many years. We are very grateful to these co-workers, for their commitment and time.

### ***Future developments***

Approximately 60 Ethiopian Sisters are 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.

During 2018, in order to grow the much younger Province in Kenya, the five Provinces with responsibility for this mission, i.e. Britain, Ireland, America, Nigeria and Ethiopia, will jointly consider how they can continue to support it financially. A suggestion to be considered is that the non-African Provinces of Britain, Ireland and America agree to make a financial investment, the income of which can be used for the development of projects for vulnerable and poor people.

## ACTIVITIES IN SCOTLAND

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

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

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

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/learning difficulties offering friendship, inclusion and belonging as we 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 18th birthday spoke of the **friendship** which coming to SPRED has afforded him. Marie the mother of one of the young boys who was



## ACTIVITIES IN SCOTLAND (continued)

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

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

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.

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 fund-raising events.

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

#### **St Catherine's Care Home**

St Catherine's Care Home in Lanark provides residential care for Sisters living in Scotland. 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. Sisters living in St Catherine's have many other Sisters visiting from other Scottish houses situated in Glasgow, Ayr, Rosewell and also from houses in England.



St Catherine's Residential 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 Louise Project, Govanhill, Glasgow (formerly The Space)**

'Enabling people to live flourishing lives in thriving communities'

The Space continues to enjoy immense success as evidenced by the positive impact on the families supported by the project.

"You can come to The Space for a safe place to be."

"If you go, they will do all they can to help."

"I would like to study one day and get help to go to college, so I can learn how to help people."

## ACTIVITIES IN SCOTLAND (continued)

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

#### **Caring for members of the Congregation (continued)**

"God has blessed the people here to help us."

It's from this humble beginning of welcome, listening and being alongside people that we are enabled to be servant leaders. As relationships have deepened so new streams of work have emerged and these continue to be shaped by the needs of those we serve and how we respond is shaped by our Vincentian values.



We cannot overstate the fundamental importance of the values. It is only by living those values that the people we serve know in their hearts The Space is a safe place to be vulnerable and to be authentic. It is these very conversations that have illuminated the way forward and enabled our mission to grow.



2017 was the year where we honed our vision and mission work for the future and began to put in place the new structure that would enable a new reality.

Our mission is to work with the poorest people in Scotland to enable them to transform their own lives. To achieve this, we aim to deliver on six streams of work:

- Community Drop-in (focus: welcome, relationships, crisis, resources).
- Community Integration (focus: broker relationships, access essential services).
- Building Better Futures (focus; personal growth, personal skills, home visits).
- Building Community (focus: build social trust, shared values across ethnic groups).
- Building Social Justice (focus: collaborate to change policies and structures to take people out of poverty).
- Exploring opportunities to serve other communities across Scotland affected by poverty, exclusion and social division.

Embracing this mission, we acknowledge that The Space will become more multicultural as it works across different ethnic groups and we recognise our responsibility not only to those we serve but to all people who suffer poverty. Thus, we aim to work in collaboration with others to create a more just society.



## GRANTS AND DONATIONS

Grants, donations and other payments in support of missionary work and ministry are decided on by the Trustees in consultation with other members of the Congregation as appropriate. In the main, the charity supports the work of the Congregation in overseas countries where there is the most need. Whilst the Trustees give occasional support to English, Scottish and Welsh organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and 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, Epworth Investment Management Limited, Eden Tree Investment Managers and Foreign and Colonial Investment Managers, 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.
- that engage in **scientific research on human foetuses** 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.

## INVESTMENTS (continued)

### Policy - listed investments (continued)

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.

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.

## **INVESTMENTS (continued)**

### **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.

### **Investment performance**

During the year the charity's listed investments achieved an income yield of 3.41% (2016 – 3.27%). The investments increased in value and the capital yield for the year was 6.68% (2016 – 4.86%). At the end of the year the charity's portfolio of listed investments comprised 55% (2016 – 54%) UK equity unit trusts, 30% (2015 – 32%) UK fixed interest unit trusts and 15% (2016 – 14%) 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 2017 totalled £8.51 million compared to £8.74 million in 2016. This decrease in income is mainly due to a reduction in legacy income (2017 - £177,060, 2016 - £394,681) and donations, which again this year have fallen, reflecting the poor economy, where individuals have less funds to donate.



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

Expenditure increased from £10.15 million in 2016 to £10.74 million in 2017. During the year the charity has incurred professional fees of £287,000 as a result of being a participant in the Scottish Public Inquiry into Historical Abuse. This, together with the donation of £75,000 given to the Daughters of Charity's mission in Kenya to establish investment for their ministries in the future, has led to this increase in expenditure.

Expenditure in all other areas has been tightly controlled during the year.

On 1 April 2017 the project called "The Space" became an independent charity. Therefore, only three months' worth of income and expenditure in respect to The Space are shown in the attached accounts. Income amounted to £14,614 (2016 - £187,861) and expenditure amounted to £169,807 (2016 - £136,310).

### **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 £59.4 million (2016 - £59.7 million). Of this £6.15 million (2016 - £6.5 million) represents the accumulated net income of Marillac Care (including tangible fixed assets of £5.5 million (2016 - £5.5 million), which has been designated by the Trustees for use by Marillac Care only.

A further £13.4 million (2016 - £13.9 million) is represented by tangible fixed assets used for the support of the Sisters and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund value cannot, therefore, be realised easily if needed to meet future contingencies.

The Programme Related Investments Fund amounts to £682,003 (2016 - £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. A further property is used by The Louise Project Limited (formerly known as The Space), now a separately registered charitable company, for its head office and a drop in centre.

Funds of £24.4 million (2016 - £23.2 million) have been set aside in the Sisters' Care and Retirement Fund to provide for the Sisters' holistic needs going into the future.



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

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

The value of the fund has been calculated based on actuarial principles to provide for each of the Province's 126 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 £2 million (2016 – £3 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, £1.8 million (2016 - £1.7 million) has been designated for use on specific projects by the Trustees. It is intended that such projects should principally be concerned with the missionary work of the Sisters overseas.

The endowment funds amounting to £448,991 (2016 - £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 £429,287 (2016 - £454,175) at the end of the year. Other small restricted funds totalled £35,019 (2016 - £162,505).

Funds available to support the work of the Sisters in the future are shown as general funds on the balance sheet and amount to £10.0 million (2016 - £9.7 million). This figure needs to be considered in the light of annual expenditure of £10.5 million. The Trustees consider the charity's free reserves to be adequate but not excessive.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Governance**

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

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

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.

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

### **Governance** (continued)

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

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

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

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

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

#### ***Sister 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.

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

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

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

### **Governance** (continued)

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

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

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

Sister Kay Harte entered the Daughters of Charity of St Vincent de Paul in 1967 and is currently working in the offices as secretary to the Provincial. After training as a rehabilitation worker for the visually impaired and interpreter 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.

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

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

### **Statement of Trustees' responsibilities**

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

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

### **Statement of Trustees' responsibilities** (continued)

- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

### **Structure and management reporting**

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

The British Province comprises 131 Sisters, in 22 houses, of which 17 are situated in England, four in Scotland and one in Wales. These local communities are mostly situated in areas of towns and cities where it is believed that the Sisters can provide the greatest help to deprived and marginalised people. The Mission Statement states:

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

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

### **Key management**

The Trustees consider that they, together with the Finance and Business Director, the Care Home Managers, the Project Leader of The Space (prior to transfer to The Louise Project Limited) 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.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Structure and Management Reporting (continued)

#### *Key management (continued)*

The pay of the Finance and Business Director, the Project Leader of The Space (prior to transfer) 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
- 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

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

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 2017 was 80 years. The stark reality is that there are now more Sisters in residential care than there are under the age of 70 years. The risks entailed in this fact are multiple, as not only will the activities and ministries of the Sisters decrease, but the need for financial resources to pay for residential and nursing care costs will inevitably increase.

To mitigate the dilution of services for vulnerable people due to this increase in age and few, if any, younger women entering the Congregation, the Trustees created 'The Daughters of Charity of St Vincent de Paul Services' an "umbrella" charitable organisation formed to ensure the sustainability of projects and services started by the Congregation and that the values and ethos on which these services were built, remain strong and true ([www.dcsvpservices.org](http://www.dcsvpservices.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 2018.

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 and 13 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 has met 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.

In 2018 an investment performance review was commissioned from an independent investment consultant who will also review the ethical policy with the Trustees. The report was produced at the end of May 2018.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk Management (continued)

#### ***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 senior management staff in Marillac Care will assume 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.

#### ***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.

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

### **Risk Management** (continued)

#### ***Protection of children and vulnerable adults*** (continued)

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

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

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.

#### **Fundraising policy**

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2017, the charity received no complaints about its fundraising activities.

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

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

#### **Public benefit**

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



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

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

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

Signed on behalf of the Trustees:

Ellen T Flynn  
Trustee

Approved by the Trustees on: 19 July 2018

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

**Opinion**

We have audited the financial statements of Daughters of Charity of St Vincent De Paul Charitable Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2017, which comprise the consolidated statement of financial activities, the parent charity and group balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 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 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

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

**Responsibilities of Trustees**

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

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

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

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

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

**Use of our report**

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

27 July 2018

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

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2017 £	Total funds 2016 £
<b>Income:</b>						
Donations and legacies	1	2,161,463	131,984	—	<b>2,293,447</b>	2,757,410
Investment income and interest receivable	2	961,341	56,206	—	<b>1,017,547</b>	980,471
Charges for residential, care and support services	3	5,075,905	—	—	<b>5,075,905</b>	4,871,846
Other income						
. Surplus on disposal of tangible fixed assets		7,833	—	—	<b>7,833</b>	10,589
. Miscellaneous income *		118,118	—	—	<b>118,118</b>	123,990
<b>Total income</b>		<b>8,324,660</b>	<b>188,190</b>	<b>—</b>	<b>8,512,850</b>	8,744,306
<b>Expenditure:</b>						
Cost of raising funds						
. Investment managers' fees*		34,017	2,158	—	<b>36,175</b>	35,289
Expenditure on charitable activities						
. Provision of residential, care and support services	4	5,489,021	57,210	—	<b>5,546,231</b>	5,608,991
. Support of members of the Congregation and their ministry	5	4,508,974	31	—	<b>4,509,005</b>	4,275,600
. Charitable grants, donations payable and similar	6	365,257	280,665	—	<b>645,922</b>	234,588
<b>Total expenditure</b>		<b>10,397,269</b>	<b>340,064</b>	<b>—</b>	<b>10,737,333</b>	10,154,468
<b>Net expenditure for the year before investment gains</b>		<b>(2,072,609)</b>	<b>(151,874)</b>	<b>—</b>	<b>(2,224,483)</b>	(1,410,162)
<b>Net investment gains</b>						
. Listed investments		1,924,188	—	—	<b>1,924,188</b>	1,354,339
<b>Net expenditure for the year</b>	8	<b>(148,421)</b>	<b>(151,874)</b>	<b>—</b>	<b>(300,295)</b>	(55,823)
<b>Transfer between funds</b>	17	<b>500</b>	<b>(500)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds for the year</b>		<b>(147,921)</b>	<b>(152,374)</b>	<b>—</b>	<b>(300,295)</b>	(55,823)
<b>Reconciliation of funds:</b>						
Balances brought forward at 1 January 2017		58,651,204	616,680	448,991	<b>59,716,875</b>	59,772,698
Balances carried forward at 31 December 2017		<b>58,503,283</b>	<b>464,306</b>	<b>448,991</b>	<b>59,416,580</b>	59,716,875

\*In 2016 all miscellaneous income related to unrestricted funds and investment managers' fees of £35,289 comprised £33,283 in respect to unrestricted funds and £2,006 in respect to restricted funds.

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 25 to these accounts. The operations of The Space were not affected by the transfer. 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 operation described above is summarised in the table below:

	2017			2016		
	Continuing £	Dis- continued £	Total £	Continuing £	Dis- continued £	Total £
<b>Income</b>	<b>8,498,236</b>	<b>14,614</b>	<b>8,512,850</b>	<b>8,556,445</b>	<b>187,861</b>	<b>8,744,306</b>
<b>Expenditure</b>	<b>10,567,526</b>	<b>169,807</b>	<b>10,737,333</b>	<b>10,018,158</b>	<b>136,310</b>	<b>10,154,468</b>
<b>Net (expenditure) income before investment gains</b>	<b>(2,069,290)</b>	<b>(155,193)</b>	<b>(2,224,483)</b>	<b>(1,461,713)</b>	<b>51,551</b>	<b>(1,410,162)</b>
<b>Net investment gains</b>	<b>1,924,188</b>	<b>—</b>	<b>1,924,188</b>	<b>1,354,339</b>	<b>—</b>	<b>1,354,339</b>
<b>Net movement in funds</b>	<b>(145,102)</b>	<b>(155,193)</b>	<b>(300,295)</b>	<b>(107,374)</b>	<b>51,551</b>	<b>(55,823)</b>

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

## Balance sheets 31 December 2017

	Notes	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12	19,184,477	19,705,812	19,184,477	19,705,812
Investments	13	36,992,064	36,183,594	30,992,064	30,183,594
		<b>56,176,541</b>	55,889,406	<b>50,176,541</b>	49,889,406
<b>Current assets:</b>					
Debtors					
. Amounts falling due within one year	14	864,977	870,246	864,977	870,246
. Amounts falling due after one year	14	10,000	195,000	6,016,071	6,201,071
		874,977	1,065,246	6,881,048	7,071,317
Short term deposits		901,090	1,307,730	901,090	1,307,730
Cash at bank and in hand		2,404,270	2,089,730	2,404,270	2,089,730
		<b>4,180,337</b>	4,462,706	<b>10,186,408</b>	10,468,777
<b>Liabilities:</b>					
<b>Creditors:</b> amounts falling due within one year	15	(767,562)	(635,237)	(767,562)	(635,237)
<b>Net current assets</b>		<b>3,412,775</b>	3,827,469	<b>9,418,846</b>	9,833,540
<b>Total assets less current liabilities</b>		<b>59,589,316</b>	59,716,875	<b>59,595,387</b>	59,722,946
<b>Creditors:</b> amounts falling due after more than one year	15	(172,736)	—	(172,736)	—
<b>Total net assets</b>		<b>59,416,580</b>	59,716,875	<b>59,422,651</b>	59,722,946
<b>The funds of the charity:</b>					
<b>Capital funds</b>					
Permanent endowment funds	16	448,991	448,991	448,991	448,991
<b>Income funds</b>					
Restricted funds	17	464,306	616,680	464,306	616,680
Unrestricted funds					
. Tangible fixed assets fund	18	13,375,493	13,870,732	13,375,493	13,870,732
. Programme related investments fund	19	682,003	302,351	682,003	302,351
. Designated funds	20	34,408,300	34,774,441	34,408,300	34,774,441
. General fund		10,037,487	9,703,680	10,043,558	9,709,751
		<b>59,416,580</b>	59,716,875	<b>59,422,651</b>	59,722,946

Approved by the Trustees and signed on their behalf by:

Sister Margaret Bannerton  
Trustee

Approved by the Trustees on: 19 July 2018

## Consolidated statement of cash flows Year to 31 December 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,953,081)</b>	(1,762,809)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>967,630</b>	931,491
Bank interest received		<b>2,517</b>	6,608
Proceeds from the disposal of tangible fixed assets		<b>24,783</b>	15,080
Purchase of tangible fixed assets		<b>(629,962)</b>	(825,174)
Proceeds from the disposal of investments		<b>1,500,000</b>	5,000,000
Purchase of investments		<b>(4,630)</b>	(4,502,664)
<b>Net cash provided by investing activities</b>		<b>1,860,338</b>	625,341
<b>Cash flows from financing activities:</b>			
Capital element of finance lease rentals		<b>(20,357)</b>	—
<b>Net cash used in financing activities</b>		<b>(20,357)</b>	—
<b>Change in cash and cash equivalents in the year</b>		<b>(92,100)</b>	(1,137,468)
<b>Cash and cash equivalents at 1 January 2017</b>	B	<b>3,397,460</b>	4,534,928
<b>Cash and cash equivalents at 31 December 2017</b>	B	<b>3,305,360</b>	3,397,460

### Notes to the statement of cash flows for the year to 31 December 2017.

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

	2017 £	2016 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(300,295)</b>	(55,823)
<b>Adjustments for:</b>		
Depreciation charge	<b>768,165</b>	778,843
Gains on investments	<b>(1,924,188)</b>	(1,354,339)
Investment income receivable	<b>(967,630)</b>	(931,491)
Bank interest receivable	<b>(2,517)</b>	(6,480)
Surplus on disposal of tangible fixed assets	<b>(7,833)</b>	(10,589)
Decrease (increase) in debtors	<b>190,269</b>	(101,632)
Increase (decrease) in creditors	<b>311,948</b>	(81,298)
<b>Net cash used in operating activities</b>	<b>(1,932,081)</b>	(1,762,809)

#### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<b>2,404,270</b>	2,089,730
Term deposits (less than three months)	<b>901,090</b>	1,307,730
<b>Total cash and cash equivalents</b>	<b>3,305,360</b>	3,397,460



**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 2017 with comparative information given in respect to the year to 31 December 2016.

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 charge;
- ◆ 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 2018, 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 22), 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 £8,512,850 (2016 - £8,744,307) and total expenditure of £10,737,333 (2016 - £10,154,468), resulting in a net expenditure of £2,224,483 (2016 - £1,410,161).

### **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.

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***

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 by St Joseph's Services, Rosewell or by The Louise Project Limited.

St Joseph's occupies the properties at a peppercorn rent. St Joseph's is a charitable company registered with the Office of the Scottish Charity Regulator. The work carried out by St Joseph's Services is consistent with the charitable objects of the charity and as such the properties are classified as programme related investments. They are stated at their book value 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.

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

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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

### **Fund structure**

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

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

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

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

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

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

### **Leased assets**

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

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

### **Foreign currencies**

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



**Pension costs** (continued)

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 2017 £	Total funds 2016 £
Salaries and pensions of individual religious	1,949,953	—	—	<b>1,949,953</b>	1,980,305
Legacies	177,060	—	—	<b>177,060</b>	394,681
Donations for the Congregation's overseas missions	—	114,916	—	<b>114,916</b>	134,267
Other donations	34,450	17,068	—	<b>51,518</b>	248,157
<b>2017 Total funds</b>	<b>2,161,463</b>	<b>131,984</b>	<b>—</b>	<b>2,293,447</b>	2,757,410
2016 Total funds	2,455,178	302,232	—	2,757,410	

At 31 December 2017, the charity had been notified that it was a named beneficiary in the will of an individual who was recently deceased. The amount to which the charity is entitled is not yet capable of reliable measurement, but the trustees anticipate that the amount receivable may be approximately £400,000.

## 2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2017 £	Total funds 2016 £
Income from listed investments					
. UK fixed interest funds	285,226	18,014	—	<b>303,240</b>	329,079
. UK property funds	169,779	8,676	—	<b>178,455</b>	190,859
. UK equity funds	456,856	29,079	—	<b>485,935</b>	411,553
	<b>911,861</b>	<b>55,769</b>	<b>—</b>	<b>967,630</b>	931,491
. Income from programme related investments	47,400	—	—	<b>47,400</b>	42,500
Bank interest	2,080	437	—	<b>2,517</b>	6,480
<b>2017 Total funds</b>	<b>961,341</b>	<b>56,206</b>	<b>—</b>	<b>1,017,547</b>	980,471
2016 Total funds	924,347	56,124	—	980,471	

## 3 Charges for residential, care and support services

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2017 £	Total funds 2016 £
<b>2017 Total funds:</b>					
Nursing home charges	5,075,905	—	—	<b>5,075,905</b>	4,871,846
2016 Total funds	4,871,846	—	—	4,871,846	

**4 Provision of residential, care and support services**

<b>Group</b>	Unrestricted funds £	Restricted funds £	Endowment funds £	<b>Total funds 2017 £</b>	Total funds 2016 £
Staff costs	4,026,232	22,898	—	<b>4,049,130</b>	4,161,319
Premises	884,903	2,326	—	<b>887,229</b>	886,799
Provisions	143,419	—	—	<b>143,419</b>	143,248
Welfare of residents	184,189	13,021	—	<b>197,210</b>	198,534
Project costs	607	4,706	—	<b>5,313</b>	7,789
Other costs	156,749	14,259	—	<b>171,008</b>	153,880
Support costs (note 7)	92,922	—	—	<b>92,922</b>	57,422
<b>2017 Total funds</b>	<b>5,489,021</b>	<b>57,210</b>	<b>—</b>	<b>5,546,231</b>	<b>5,608,991</b>
2016 Total funds	5,496,442	112,549	—	5,608,991	

**5 Support of members of the Congregation and their ministry**

<b>Group</b>	Unrestricted funds £	Restricted funds £	Endowment funds £	<b>Total funds 2017 £</b>	Total funds 2016 £
Sisters' living and personal expenses	1,022,254	—	—	<b>1,022,254</b>	1,059,019
Premises	1,052,917	—	—	<b>1,052,917</b>	1,179,816
Staff costs	1,715,889	—	—	<b>1,715,889</b>	1,665,744
Spiritual renewal	166,941	—	—	<b>166,941</b>	140,069
Other costs	102,762	—	—	<b>102,762</b>	98,796
Support costs (note 7)	448,211	31	—	<b>448,242</b>	132,156
<b>2017 Total funds</b>	<b>4,508,974</b>	<b>31</b>	<b>—</b>	<b>4,509,005</b>	<b>4,275,600</b>
2016 Total funds	4,275,568	32	—	4,275,600	

## 6 Charitable grants and donations payable

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2017 £	Total funds 2016 £
Donations to the Congregation's overseas missions:					
. Ethiopia	—	185,440	—	<b>185,440</b>	168,531
. Haiti	—	—	—	—	4,388
. Iraq	—	—	—	—	300
. Bethlehem	—	—	—	—	2,067
. Kenya	75,000	—	—	<b>75,000</b>	10,488
. Vietnam	—	7,630	—	<b>7,630</b>	15,215
. Syria	—	—	—	—	5,586
. India	—	750	—	<b>750</b>	—
. Nepal	—	—	—	—	140
The Vincentian Volunteers	5,000	—	—	<b>5,000</b>	5,000
Vincentians in Partnership	12,000	—	—	<b>12,000</b>	12,000
Holy Cross Abbey	—	—	—	—	5,000
Vincentian Care Plus Limited	19,430	—	—	<b>19,430</b>	—
Catholic Council	5,000	—	—	<b>5,000</b>	—
The Louise Project Limited	41,920	86,845	—	<b>128,765</b>	—
Other donations	16,907	—	—	<b>16,907</b>	5,873
<b>Total grants and donations</b>	<b>175,257</b>	<b>280,665</b>	<b>—</b>	<b>455,922</b>	234,588
Provision against loan advanced to connected charity (note 14)	190,000	—	—	<b>190,000</b>	—
<b>2017 Total funds</b>	<b>365,257</b>	<b>280,665</b>	<b>—</b>	<b>645,922</b>	234,588
2016 Total funds	27,751	206,837	—	234,588	

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

## 7 Support costs

Group	Provision of residential, care and support services £	Support of members of the Congregation and their ministry £	Total funds 2017 £	Total funds 2016 £
Legal and professional fees	46,799	338,646	385,445	69,169
Central administration	33,690	20,405	54,095	46,313
Bank charges	2,853	7,376	10,229	7,769
Governance (see below)	9,580	81,815	91,395	66,327
<b>2017 Total funds</b>	<b>92,922</b>	<b>448,242</b>	<b>541,164</b>	<b>189,578</b>

During the year, the charity incurred professional fees of £287,000 in respect to its participation in the Scottish National Inquiry into Historical Abuse. The Inquiry hearings in relation to two of the homes previously owned and operated by the Daughters of Charity of St Vincent de Paul began on 28 November 2017 and continued into the new year.

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 2017 £	Total funds 2016 £
Auditor's remuneration	31,720	—	—	31,720	33,240
Legal and professional	58,601	—	—	58,601	32,078
Central administration	1,074	—	—	1,074	1,009
<b>2017 Total funds</b>	<b>91,395</b>	<b>—</b>	<b>—</b>	<b>91,395</b>	<b>66,327</b>
2016 Total funds	66,327	—	—	66,327	

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.

## 8 Net expenditure for the year

This is stated after charging:

Group	Total 2017 £	Total 2016 £
Staff costs (note 9)	5,765,019	5,827,063
Auditor's remuneration		
. Statutory audit services – current year	18,000	21,600
– prior year	4,140	—
. Non-statutory audit services	9,580	11,640
Depreciation (note 12)	768,165	778,843
Surplus on disposal of tangible fixed assets	(7,833)	(10,589)

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

<b>Group</b>	<b>2017 £</b>	<b>2016 £</b>
Staff costs during the year were as follows:		
Wages and salaries	4,643,151	4,703,248
Social security costs	346,411	346,320
Other pension costs	96,063	97,712
Apprenticeship levy	5,195	—
	<u>5,090,820</u>	<u>5,147,280</u>
Agency staff	674,199	679,783
	<u>5,765,019</u>	<u>5,827,063</u>

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>2017 £</b>	<b>2016 £</b>
Provision of residential, care and support services	4,049,130	4,161,319
Support of members of the Congregation and their ministry	1,715,889	1,665,744
	<u>5,765,019</u>	<u>5,827,063</u>

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>2017</b>	<b>2016</b>
£60,000 - £70,000	1	1
£70,000 - £80,000	—	1
£80,000 - £90,000	1	—

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

<b>Group</b>	<b>2017</b>	<b>2016</b>
Provision of residential, care and support services	191	207
Support of members of the Congregation and their ministry	111	113
	<u>302</u>	<u>320</u>

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

<b>Group</b>	<b>2017</b>	<b>2016</b>
Provision of residential, care and support services	144	147
Support of members of the Congregation and their ministry	77	82
	<u>221</u>	<u>229</u>

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 (prior to transfer to The Louise Project Limited), 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 £394,176 (2016 - £428,183).

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

The charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No Trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2016 - 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 £62,154 (2016 - £62,323).

## 11 Taxation

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

## 12 Tangible fixed assets

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 2017	7,177,827	1,182,889	16,514,688	128,596	796,174	452,349	<b>26,252,523</b>
Additions	—	—	310,536	—	274,110	58,786	<b>643,432</b>
Transfer to programme related investments (note 13)	—	—	(379,652)	—	—	—	<b>(379,652)</b>
Disposals and eliminations	—	—	(231,545)	—	(175,924)	(69,851)	<b>(477,320)</b>
At 31 December 2017	<u>7,177,827</u>	<u>1,182,889</u>	<u>16,214,027</u>	<u>128,596</u>	<u>894,360</u>	<u>441,284</u>	<b>26,038,983</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>12,964,026</u>	<u>128,596</u>	<u>894,360</u>	<u>441,284</u>	<b>21,613,982</b>
	<u>7,177,827</u>	<u>1,182,889</u>	<u>16,214,027</u>	<u>128,596</u>	<u>894,360</u>	<u>441,284</u>	<b>26,038,983</b>
<b>Depreciation</b>							
At 1 January 2017	—	224,271	5,542,611	—	479,447	300,382	<b>6,546,711</b>
Charge for the year	—	23,658	522,464	—	140,326	81,717	<b>768,165</b>
On disposals and eliminations	—	—	(231,545)	—	(175,924)	(52,901)	<b>(460,370)</b>
At 31 December 2017	<u>—</u>	<u>247,929</u>	<u>5,833,530</u>	<u>—</u>	<u>443,849</u>	<u>329,198</u>	<b>6,854,506</b>
<b>Net book values</b>							
At 31 December 2017	<u>7,177,827</u>	<u>934,960</u>	<u>10,380,497</u>	<u>128,596</u>	<u>450,511</u>	<u>112,086</u>	<b>19,184,477</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>19,705,812</b>

## 12 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.

Furniture and equipment with a carrying value of £220,062 (2016 - £nil) are held under finance leases. The accumulated depreciation on these assets totals £7,588 (2016 - £nil).

### *Capital commitments*

At 31 December 2017 the group and charity had no capital commitments (2016 - £nil).

## 13 Investments

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Investment land	6,000,000	6,000,000	—	—
Listed investments	30,310,061	29,881,243	30,310,061	29,881,243
Programme related investments	682,003	302,351	682,003	302,351
	<b>36,992,064</b>	<b>36,183,594</b>	<b>30,992,064</b>	<b>30,183,594</b>

### *Investment land*

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
At 1 January 2017 and at 31 December 2017	6,000,000	6,000,000	—	—



### 13 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>2017 £</b>	<b>2016 £</b>
<b>Listed investments</b>		
Market value at 1 January 2017	<b>29,881,243</b>	29,024,240
Additions	<b>4,630</b>	4,502,664
Disposals at opening book value (proceeds £1,500,000, gain £26,963)	<b>(1,473,037)</b>	(5,029,617)
Net gains on revaluation	<b>1,897,225</b>	1,383,956
Market value at 31 December 2017	<b>30,310,061</b>	29,881,243
Cost of listed investments at 31 December 2017	<b>25,065,508</b>	26,246,198

### 13 Investments (continued)

#### **Listed investments** (continued)

Listed investments held at 31 December 2017 comprised the following:

<b>Group and charity</b>	<b>2017 £</b>	<b>2016 £</b>
UK fixed interest unit trusts	<b>9,027,694</b>	9,595,171
UK equities (including equity based unit trusts)	<b>16,699,687</b>	15,984,255
UK property unit trusts	<b>4,582,680</b>	4,301,817
	<b>30,310,061</b>	29,881,243

At 31 December 2017 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:

<b>Group and charity</b>	<b>Market value of holding £</b>	<b>Percentage of portfolio %</b>
The Charity Property Fund	<b>2,077,009</b>	6.85%
Hermes Property Unit Trust	<b>2,505,671</b>	8.27%
Ethical Corporate Bond Fund Class B (Income)	<b>9,027,694</b>	29.78%
Affirmative Equity Fund for Charities	<b>6,734,803</b>	22.22%
Foreign & Colonial UK income Fund	<b>4,902,602</b>	16.17%
Amity UK Fund (B Class Income Shares)	<b>5,045,953</b>	16.65%

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

#### **Programme related investments**

	<b>2017 £</b>	<b>2016 £</b>
Carrying value at 1 January 2017	<b>302,351</b>	302,351
Transfer from tangible fixed assets (note 12)	<b>379,652</b>	—
Carrying value at 31 December 2017	<b>682,003</b>	302,351

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 12). The programme related investments were transferred from tangible fixed assets at their book value as at 1 April 2015.

With effect from 1 April 2017, the activities carried out by The Space, Govanhill were transferred to The Louise Project Limited, a charity registered in Scotland with the Office of the Scottish Charity Regulator (Charity Registration No. SC047316) and a company limited by guarantee incorporated in Scotland (Company Registration No. SC555365). At that date a property owned by the charity but occupied by The Louise Project Limited, at a reduced market rent was reclassified as a programme related investment in these accounts, having previously been classified as functional freehold property within tangible fixed assets (note 12) and used for special needs accommodation housing.

**14 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Residential and care home fees	<b>576,161</b>	585,666	<b>576,161</b>	585,666
Prepayments and accrued income	<b>162,811</b>	200,219	<b>162,811</b>	200,219
Loans	<b>95,000</b>	60,000	<b>95,000</b>	60,000
Other debtors	<b>31,005</b>	24,361	<b>31,005</b>	24,361
	<b>864,977</b>	870,246	<b>864,977</b>	870,246
<b>Amounts falling due after one year:</b>				
Amounts due from subsidiary undertaking	—	—	<b>6,006,071</b>	6,006,071
Loans	<b>10,000</b>	195,000	<b>10,000</b>	195,000
	<b>10,000</b>	195,000	<b>6,016,071</b>	6,201,071
	<b>874,977</b>	1,065,246	<b>6,881,048</b>	7,071,317

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 13).

In addition, amounts due from the subsidiary undertaking include accrued interest £6,071, (2016 – of £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 2017 will be held as a debt until the land is sold when it will be repaid from the net sale proceeds.

At 31 December 2017, a loan of £85,000 had been advanced by the charity secured against a freehold property situated in Dursley, Gloucestershire. The loan, which was to the mother of a Sister of the Congregation, was interest free and was advanced in order to enable the beneficiary to purchase the said freehold property. Under the legal loan agreement, the beneficiary was able to reside in the property for the remainder of her life. The loan of £85,000 was to be repaid on the death of the beneficiary from the proceeds of the property or at an earlier date should the beneficiary vacate the property. Towards the end of 2017, the property was vacated and, subsequent to the year end, the loan together with interest has been repaid in full following the sale of the property. The loan was agreed and granted many years ago at a time when the beneficiary was not a relative of any of the trustees of the charity. During the year to 31 December 2017 the beneficiary's daughter, was a trustee.

In 2017, in order to facilitate the move from the property so that it may be sold, an additional short term interest free loan of £10,000 was granted to the beneficiary bringing the total indebtedness to £95,000. The additional loan was approved independently of the conflicted trustee and has been repaid in full subsequent to the year end.

**15 Debtors (continued)**

In 2016, an interest free loan of £100,000 was advanced to Vincentian Care Plus, a connected entity to the charity (see note 23). The loan was to be repaid on or before 12 June 2018. At the date of signing these accounts, this date had been passed and no repayment received. Under the loan agreement, interest at a rate of 1% above the Bank of England Bank Rate should accrue on the late repayment. Having considered the financial position of the borrower, the Trustees believe that the probability of receiving repayment in the short to medium term of the loan or any interest due is remote. Consequently, a provision against the full amount due has been made in these accounts.

An additional interest free “bridging” loan of £60,000 had been advanced by the charity to Vincentian Care Plus at 31 December 2016 and, during the year, a further £30,000 was loaned bringing the total of the bridging loan at 31 December 2017 to £90,000. This loan is repayable on demand. However, as above, the Trustees believe that the probability of receiving repayment in the short to medium term of the amount due is remote. Consequently, a provision against the full £90,000 due has been made in these accounts.

An interest free loan of £100,000 was advanced during 2016 for a period of two years ending on 12 June 2018 to Vincentian Care Plus. The loan was not repaid by 12 June 2018 and under the agreement, the loan is now repayable on demand and carries an interest charge of one percent above the Bank of England base rate. A further interest free capital bridging loan of £30,000 has been advanced to Vincentian Care Plus during the year, bringing the total value of the bridging loan at 31 December 2017 to £90,000 (2016 - £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 was made to a family member of a Sister of the Congregation during 2016. This is repayable on the sale of a property which is expected to occur in 2018.

**15a Creditors: amounts falling due within one year**

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Residential, care and support establishment fees in advance	15,552	17,800	15,552	17,800
Expense creditors	283,320	163,386	283,320	163,386
Social security and other taxes	82,774	77,724	82,774	77,724
Other creditors	14,400	27,111	14,400	27,111
Monies administered by the charity on behalf of individual members of the Daughters of Charity of St Vincent de Paul	76,598	80,598	76,598	80,598
Money held on behalf of the Ethiopian Province of the Daughters of Charity of St Vincent de Paul	86,145	86,000	86,145	86,000
Grants payable	101,000	136,000	101,000	136,000
Accruals	62,233	46,618	62,233	46,618
Finance lease obligations (note 26)	45,540	—	45,540	—
	<b>767,562</b>	<b>635,237</b>	<b>767,562</b>	<b>635,237</b>

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Finance lease obligations (note 26)	172,736	—	172,736	—

**16 Permanent endowment funds**

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

Group and charity	At 1 January 2017 £	Income £	At 31 December 2017 £
Salisbury fund	254,175	—	254,175
Wigmore Street Trust fund	194,816	—	194,816
	<b>448,991</b>	<b>—</b>	<b>448,991</b>

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.

## 17 Restricted funds

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

<b>Group and charity</b>	<b>At 1 January 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>At 31 December 2017 £</b>
Mission funds					
. Ethiopian	451,498	152,366	(187,598)	—	<b>416,266</b>
. Mission funds	2,677	18,755	(8,411)	—	<b>13,021</b>
Other restricted funds	162,505	17,069	(144,055)	(500)	<b>35,019</b>
	<u>616,680</u>	<u>188,190</u>	<u>(340,064)</u>	<u>(500)</u>	<b><u>464,306</u></b>

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

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

## 18 Tangible fixed asset fund

Group and charity	At 1 January 2017 £	Movements in year £	At 31 December 2017 £
Tangible fixed assets fund	13,870,732	(495,239)	13,375,493

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

## 19 Programme related investments fund

Group and charity	At 1 January 2017 £	Movement in year £	At 31 December 2017 £
St Joseph's Services property	302,351	—	302,351
The Louise Project Limited property	—	379,652	379,652
	302,351	379,652	682,003

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

## 20 Designated funds

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

Group and charity	At 1 January 2017 £	New designations £	Utilised/ released £	At 31 December 2017 £
Sisters' care and retirement fund	23,163,000	1,251,000	—	24,414,000
Residential care and support services fund	6,503,978	5,212,719	(5,570,316)	6,146,381
Development fund	3,000,000	—	(1,000,000)	2,000,000
Project fund	1,739,011	108,908	—	1,847,919
The Space fund	368,452	18,941	(387,393)	—
	34,774,441	6,591,568	(6,957,709)	34,408,300

The funds have been designated for the following purposes:

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

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

## 20 Designated funds (continued)

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

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

♦ **Development fund**

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

♦ **Project fund**

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

♦ **The Space fund**

The Space fund represented the net assets of The Space, Govanhill operated by the charity. This fund was set aside for the use of The Space, Govanhill only.

## 21 Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	Total net assets £
<b>Capital funds</b>					
Endowment funds	—	—	448,991	—	<b>448,991</b>
<b>Income funds</b>					
Restricted funds	—	—	464,306	—	<b>464,306</b>
Unrestricted funds					
. Tangible fixed assets fund	13,593,769	—	(45,540)	(172,736)	<b>13,375,493</b>
. Programme related investments fund	—	682,003	—	—	<b>682,003</b>
. Designated funds	5,590,708	28,749,425	68,167	—	<b>34,408,300</b>
. General fund	—	7,560,636	2,476,851	—	<b>10,037,487</b>
	<b>19,184,477</b>	<b>36,992,064</b>	<b>3,421,775</b>	<b>(172,736)</b>	<b>59,416,580</b>

The total unrealised gains as at 31 December 2017 constitute movements on revaluation and are as follows:

Group	2017 £	2016 £
Unrealised gains included above:		
On investments	<b>5,244,553</b>	3,635,045
Reconciliation of movements in unrealised gains:		
At 1 January 2017	<b>3,635,045</b>	3,473,949
In respect to disposals in the year	<b>(287,717)</b>	(1,222,860)
Add: Net gains arising on revaluation	<b>1,897,225</b>	1,383,956
At 31 December 2017	<b>5,244,553</b>	3,635,045



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

Charity	Tangible fixed assets £	Investments £	Net current assets £	Creditors: amounts falling due after more than one year £	Total net assets £
<b>Capital funds</b>					
Endowment funds	—	—	448,991	—	<b>448,991</b>
<b>Income funds</b>					
Restricted funds	—	—	464,306	—	<b>464,306</b>
Unrestricted funds					
. Tangible fixed assets fund	13,593,769	—	(45,540)	(172,736)	<b>13,375,493</b>
. Programme related investments fund	—	682,003	—	—	<b>682,003</b>
. Designated funds	5,590,708	28,749,425	68,167	—	<b>34,408,300</b>
. General fund	—	1,560,636	8,482,922	—	<b>10,043,558</b>
	<u>19,184,477</u>	<u>30,992,064</u>	<u>9,418,846</u>	<u>(172,736)</u>	<u><b>59,422,651</b></u>

The total unrealised gains as at 31 December 2017 constitute movements on revaluation and are as follows:

Charity	2017 £	2016 £
Unrealised gains include above on:		
On investments	<b>5,244,553</b>	3,635,045
Reconciliation of movements in unrealised gains:		
At 1 January 2017	<b>3,635,045</b>	3,473,949
In respect to disposals in the year	<b>(287,717)</b>	(1,222,860)
Add: Net gains arising on revaluation	<b>1,897,225</b>	1,383,956
At 31 December 2017	<b>5,244,553</b>	3,635,045

**22 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 13).

## 22 1860 Limited (continued)

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 14).

1860 Limited had no income during the year (2016 – £nil) and incurred no expenditure (2016 – £nil). A summary of the company's statement of financial position at 31 December 2017 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.

	2017 £	2016 £
<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>

	2017 £	2016 £
<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>

## 23 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.

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

**23 Connected organisations (continued)**

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

During the year the Charitable Trust gave a donation of £19,430 to Vincentian Care Plus Limited (2016 - £nil).

In 2016, an interest free loan of £100,000 was advanced to Vincentian Care Plus to be repaid on or before 12 June 2018. At the date of signing these accounts, this date had been passed and no repayment received. Under the loan agreement, interest at a rate of 1% above the Bank of England Bank Rate should accrue on the late repayment. Having considered the financial position of the borrower, the Trustees believe that the probability of receiving repayment in the short to medium term of the loan or any interest due is remote. Consequently, a provision against the full amount due has been made in these accounts.

An additional interest free "bridging" loan of £60,000 had been advanced by the charity to Vincentian Care Plus at 31 December 2016 and, during the year, a further £30,000 was loaned bringing the total of the bridging loan at 31 December 2017 to £90,000. This loan is repayable on demand. However, as above, the Trustees believe that the probability of receiving repayment in the short to medium term of the amount due is remote. Consequently, a provision against the full £90,000 due has been made in these accounts.

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

In 2015, a grant of £250,000 from the Charitable Trust to Out There was agreed, to be paid in instalments. During the year the Charitable Trust paid £35,000 to Out There, being the instalment of the grant payable for the year (2016 - £70,000). At 31 December 2017 the remaining grant payable to Out There was £101,000 (2016 - £136,000).

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

During the year the Charitable Trust gave a donation of £5,000 (2016 - £5,000) to the Vincentian Volunteers.

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

**23 Connected organisations (continued)**

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

- ◆ 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 (2016 - £12,000) to VIP.

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

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

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

See note 25 for details of the transactions between the Charitable Trust and the charity during the year.

**24 Ultimate control**

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

## 25 The Louise Project Limited, Govanhill

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	<b>128,765</b>
The net assets transferred represented:	£
Restricted funds	<b>86,845</b>
Designated funds	<b>41,920</b>
	<b>128,765</b>

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.

## 26 Leasing commitments

### *Operating leases*

At 31 December 2017, the Charity had the following future minimum commitments under non-cancellable operating leases in respect to equipment and motor vehicles:

	2017 £	2016 £
Amounts falling due:		
. Within one year	<b>49,118</b>	42,289
. After one but within five years	<b>116,918</b>	95,098
<b>Total</b>	<b>166,036</b>	137,387

### *Finance leases*

At 31 December 2017, the charity had the following future minimum commitments under finance leases in respect to furniture and equipment:

	2017 £	2016 £
Amounts falling due:		
. Within one year (note 15a)	<b>63,653</b>	—
. After one but within five years (note 15b)	<b>206,016</b>	—
<b>Total</b>	<b>269,669</b>	—
Amounts representing interest	<b>(51,393)</b>	—
	<b>218,276</b>	—
Summary		
Accounts repayable within one year (note 15a)	<b>45,540</b>	—
Amounts repayable after one year (note 15b)	<b>172,736</b>	—
	<b>218,276</b>	—