

GRACE AND COMPASSION BENEDICTINES

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2018

Charity Number: 1056064

GRACE AND COMPASSION BENEDICTINES

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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GRACE AND COMPASSION BENEDICTINES

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Kathryn Yeeles
Carmel Murtagh
Paula Tharasanthiras
Jaya Susai
Thaya Moses

The Trustees who served during the year and since the year end are listed above. Trustees are appointed by the Prioress General and her General Council.

PRIORESS GENERAL

Kathryn Yeeles

GENERAL BURSAR

Jaya Susai

PRINCIPAL OFFICE

Grace and Compassion Convent
St Mary's House
38/39 Preston Park Avenue
Brighton
BN1 6HG

CHARITY REGISTRATION NO

1056064

GOVERNING INSTRUMENT

Trust Deed dated 20 January 1996

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

SOLICITORS

Stone King
13 Queen Square
Bath
BA1 2HJ

BANKERS

National Westminster Bank Plc
8 Pavilion Buildings
Castle Square
Brighton
BN1 1DP

INVESTMENT MANAGERS

Charles Stanley & Co. Limited
55 Bishopsgate
London EC2N 3AS

INVESTMENT POWERS

Under the Congregation's Trust Deed there are no limitations in the Trustees' powers of investment.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Grace and Compassion Benedictines is a registered Charity (1056064) administered by the Benedictine Sisters of Our Lady of Grace and Compassion, an international religious Congregation with headquarters in England, providing services in England, Kenya, Uganda, India and Sri Lanka.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trust is governed by a Trust Deed dated 20 January 1996 and is registered with the Charity Commission, Charity Registration number 1056064. The accounts accompanying this report are those of the English charitable trust and its activities carried out in England and overseas.

Trustees and Organisational Structure

The Congregation is administered by the General Council which consists of the Prioress General and her four Councillors. These Sisters are elected by the General Chapter for a term of eight years and four years respectively, and three of them, all living in England, are currently the Charity's Trustees together with two other Sisters who are appointed by the Prioress General after consulting her General Council. They are widely experienced in senior management of the Charity's Care Homes and other activities, closely monitoring all aspects of its work, and meeting frequently. They are assisted by an Advisory Body consisting of priests and lay members experienced in social justice and finance, law and property, and a small committee meets throughout the year to advise the trustees with their professional expertise.

Professional and other advisors attend Trustees' meetings as needed, including the Trustees' annual financial meeting, providing an independent perspective on the topics being discussed.

Prospective trustees are provided with full information on the charity's constitution, objects and finances. Training and guidance material, and appropriate external seminars, are made available as necessary.

Care Managers and those responsible for other activities refer to the Prioress General any urgent matters outside the scope of their authority for day-to-day management.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that employment matters such as health and safety issues, claims for injury, stress, adequate staff training and vulnerable person protection issues are a key risk for the charity. A key element in the management of the risk is having up to date procedures that are regularly reviewed by the Care Standards Officer. Intensive staff training takes place on a regular basis and specialist consultants advise the charity on health and safety and all staffing issues.

The work has also identified other key risks to the charity due to fraud and error giving rise to financial loss, reputational risk and regulatory action. The charity has in place financial control procedures with appropriate segregation of duties. The trustees are closely involved in the day to day operations with all major risks covered by insurance. Appropriate advice is taken annually from insurers and as, and when, the need arises.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

KEY MANAGEMENT

The Trustees consider that the key management of the Charity consists of themselves and in particular the Prioress General and General Bursar to whom much of the running of the day-to-day running operation devolves. As religious Sisters, under a vow of poverty, the Trustees do not receive remuneration.

OBJECTIVES AND ACTIVITIES

Objectives and Policy

The Charity's Trust Deed states its principal objective as "the promotion of religion and education and the relief of poverty and sickness in accordance with the doctrines of the Roman Catholic church and for any other charitable purpose which shall advance the religious, educational and other charitable work for the time being carried on, directed or supported by the Society".

The policy of the charity is to provide comfort and security in a loving family atmosphere for those in need, e.g. the elderly in the UK. Each person is valued, independence and privacy respected; there is maximum freedom, opportunity for development, interests and spiritual care; plenty of activity, yet opportunity for space.

Strategy

The Charity's strategy is as follows:

- To continue to maintain and improve our service to the elderly and frail in the UK, having in mind, also, the expected growth in the U.K's elderly population; to support our overseas communities in their activities and service.
- To respond to newly encountered needs within our scope; in the UK, and in Africa, India, Sri Lanka, development is demand-led.
- Providing financial support to back up the overseas Sisters' own income-generating and fund-raising efforts.
- To review houses and activities in order to concentrate our human and financial resources where most needed.
- To foster our international Congregation's development and multi-cultural unity, including the training of Sisters in diverse roles to fulfil the Charity's work and develop their religious lives which underpin it.

The outcome of this strategy is evaluated through a long-established review structure comprised of frequent Trustees' meetings and regular meetings of Trustees with Care Managers/Sister Superiors and their Advisory Council. This structure is mirrored overseas. The four-yearly General Chapter (with universal representation) considers all aspects of the strategy.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to their aims and objectives, as described elsewhere in this report.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

Activities

Care and Accommodation in UK

Retirement Accommodation

Consists of flats for the active elderly – men, women, married couples - where residents cater for themselves and have maximum independence. Discreet help is available from lay people or the Sisters according to the location and circumstances.

		Numbers Accommodated
Oakampton House and Gate House	Bury St. Edmunds, Suffolk	22
Retirement Flat	Bognor Regis, West Sussex	1
St Anne's Green	Burwash	1
Padua House	Woodingdean, Brighton	15
Brighton Flats	17/18 Harrington Villas	5
Holy Cross Priory	Heathfield, E. Sussex	55
		<hr/> 99

Note - The St Anne's Green and No. 18 Harrington Villas properties were sold in the year.

Care Homes

For the frailer person where 24 hour care is provided: warm, comfortable and safe; meals, laundry, own rooms with en suite facilities, auxiliary services e.g. chiropody, hairdressing, beautician, personal shopping, games, outings, interests, and library. There are facilities for worship - Roman Catholic chapel, Anglican services, and provision for other denominations. Residents are free to bring their own furniture and possessions, pet animal, arrange their rooms as they wish, entertain or not as they please. The Sisters are committed to loving service, respect for human dignity and the development of each person, valuing their uniqueness. Over the years, the age and frailty of residents coming to live in our residential accommodation has increased; the majority are well over 80 years of age.

Holy Cross Care Home provides nursing care for the very frail and dying in a loving family atmosphere, where the Sisters and lay staff are privileged to give physical and spiritual help to both the residents and to their relatives and friends.

Some residents pay privately while others receive funding from their local authority. Our work of providing accommodation for the elderly has grown constantly from 1954, when it was founded at St Mary's House in Brighton.

		Registered Capacity
Holy Cross Care Home	Heathfield, E. Sussex	60
Montana	Bury St. Edmunds, Suffolk	19
More Hall Convent	Stroud, Gloucestershire	10
St. Mary's House	Brighton, E. Sussex	17
		<hr/> 106

In its 60 years of existence the Congregation has acquired a considerable estate. This is derived largely from legacies and gifts made by those who are interested in our work or who have benefited from it. The administration of this estate and its proper use has increased and improved through the dedication of the Sisters, who do not receive salaries, and it is the generosity of our benefactors that has enabled the charity to develop.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

Support of Overseas Missions

The Congregation's work in the Missions follows the same policy, although there is diversification according to the needs, such as destitution, sickness and lack of employment:

India

- *Grace and Compassion Priory, Tiruvannamalai*

We run a home for destitute old people; nursery school for poor children; hospital and village clinics with the full range of treatment, maternity and preventative care for all ages. A new building for the elderly was completed in 2016.

- *St. Benedict's, Adaiyur, Tiruvannamalai*

Nursing School for those from disadvantaged backgrounds.

- *House of Peace, Yercaud, Salem*

Retreat and Conference Centre, Guest House.

- *Our Lady of Light, Bangalore*

We have a home for frail elderly people, children's crèche and hostel for university students.

- *St. Scholastica's, Makkiyad*

Residential and nursing care for the elderly and mentally challenged, and a hostel for girls attending local schools.

- *St. Joseph's, Piravom*

A newly built home for the elderly was opened during the past year.

Sri Lanka

- *Melville, Moratuwa*

The Sisters run a care home for the frail elderly which has recently been renovated and an extension added to the old building.

- *St. Joan's, Ja-Ela*

We care for frail elderly, some of whom are unable to pay. The Sisters also do parish work.

- *Villa Maria, Mugunuatawan, Chilaw*

Home for the elderly.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

Activities - Support of Overseas Missions Sri Lanka (continued)

- ***Mattakelle***

A small group of Sisters are working in a rural parish where there is a Montessori School.

- ***Horana***

A new home for the elderly is under construction and is due for completion in June 2019

Kenya

- ***Grace and Compassion Convent, Mundika, Busia***

We have a home for destitute old people, and Sisters visit the elderly in their own huts and give help. We do some parish work, tailoring, candle-making, host baking and run a small shop which generates some income. A small nursery school was opened in February 2012 and in 2015 the school was extended to provide more classrooms at primary level and other facilities for staff.

A new Guest House was built in 2016 to provide accommodation for up to 32 people. This is a source of income and a valuable facility for both local and overseas visitors.

There is also a small house in Nairobi to provide a base for Sisters who are studying.

- ***Chebukaka***

A small community moved into a former diocesan retreat centre and plans are underway for a vocational school.

Uganda

- ***Grace and Compassion Convent, Irundu, Jinja District***

We do parish work, and run a nursery/primary school which has grown to over 500 pupils.

- ***St Mary's House, Jinja***

This house is used as a base for studies and some parish work. Adjacent to the original building we have purchased a second house with some land where the Sisters are growing maize, vegetables and fruit. The property has been renovated and the Sisters have moved into the new convent and a Chapel has been built. More land was acquired adjacent to this plot and a small nursery school was opened in January 2017.

All our overseas houses run farms to provide food and income. Strenuous efforts are made towards self-support, but some shortfall is inevitable as the work is for the poor. Grants are made by the Grace and Compassion Benedictines' UK charity to its partners administered by the Sisters overseas. Capital expenditure is met through applications to grant making charities made by the overseas Communities; appeals in the UK specifically for our Mission work; allocation of legacies made by benefactors wishing to support our Missions.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

The following table gives details of our overseas mission expenditure.

LOCATION	DATE	REASON	AMOUNT in £s
INDIA	20/12/17	Hospital equipment	50,000
	14/03/18	Nursing Students	6,000
		Chapter expenses	4,000
		Building at Puducherry	85,000
	13/07/18	Travel and visa	1,100
		Donation	550
	10/08/18	Donations	5,000
	17/08/18	For Kerala Flood relief	50,000
	10/09/18	Donations for Kerala	5,000
		TOTAL SENT	206,650
KENYA	Every 2 months	Total Monthly Allowances	85,000
	20/11/17	Insurance,	1,500
		Medical, Travel and House maintenance	5,000
	15/12/17	Convent repairs	53,000
		Posho Mill and Medical	2,000
	04/01/18	Holiday money and Fees for Studies	10,000
	26/03/18	Sisters' fees, travel and medical	2,500
	29/05/18	Chebukaka and fees	1,050
	13/07/18	Fees and Maize Store	7,000
		Solar (Donation)	78,000
	17/08/18	Study fees and travel	10,000
		TOTAL SENT	255,050
SRI LANKA	06/10/17	Building projects at Horana and Melville	160,000
	16/11/17	Building fund and Sisters' expenses	155,000
	15/12/17	Building Fund	200,000
	26/03/18	Building projects at Horana and Melville	150,000
	26/04/18	Extra payment for Horana	100,000
	13/07/18	Work at Horana, Chilaw and Melville	32,000
		TOTAL SENT	797,000
UGANDA	Every 2 months	Total Monthly allowances	36,000
	12/02/18	Holiday money	1,500
	10/08/18	Fees for studies	2,700
		Travel and visa	1,300
		TOTAL SENT	41,500
		GRAND TOTAL	1,300,200

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

ACHIEVEMENTS AND PERFORMANCE

The Care Village at Holy Cross Priory, Heathfield is now well-established with a 60-bed care home for residents requiring personal and nursing care. This is run to a very high standard and beds are in high demand with a long waiting list.

The 20 retirement flats in the separately accessed top floor named St Benedict's and a further 20 apartments in a new block called St Mary's provide one and two-bedroomed apartments and offer independent living with a range of community facilities available. The conversion of Holy Cross Priory, a grade 11 listed building, into 18 extra-care leasehold apartments, with a restaurant, lounge and function room is complete and all the flats are occupied.

The new chapel is available for the whole care village and Parish community. Other facilities include guest accommodation and a convent for the Sisters.

In transforming what we offer at Holy Cross Priory, we are enabling our work for older people to continue there and flourish, in response to clear future needs and the trend away from residential care, along with the physical condition and out-dated nature of all the existing buildings. There are still some outstanding works to be completed, some of which may have to be paid by the Charity and others by the Contractors. There have been considerable legal costs involved in trying to address these snagging issues.

FUNDRAISING

The Charity does not undertake any formal or organised fundraising activities, either directly or through a professional fundraiser or commercial participator or any person acting on its behalf. We do not engage in cold-calling, door to door or street fundraising.

The Charity appeals for financial assistance for its work in the following 3 ways:

- The inclusion of an appeal slip in its biannual Newsletter ("Our Lady's Newsletter"), which is circulated by post to its supporters and is also on its website.
- Advertisements in a number of professional journals (e.g.. Charity Choice, Law Society Gazette etc.).
- A donation facility on the Charity website.

No complaints about fundraising activities have been received in either the year or the preceding year. However if a complaint were to be received, we would undertake to resolve it promptly and would envisage that there would never be any need for any complaint to escalate to the stage of referral to the regulator.

The trustees have decided that given the low-key nature of fundraising efforts, there is no need for the charity to be registered with the Fundraising Regulator. However we endeavour to adhere to the standards of the Fundraising Code of Practice.

The trustees are of the opinion that the charity's overall fundraising performance was good and was conducted in fully accordance with the above principles. We are extremely grateful for the generosity of all those who have given to the work of the charity over the years.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

FINANCIAL REVIEW

The charity's main form of ongoing income continues to be the fees received in respect of its care facilities. Total income of the charity amounted to approximately £6.4m compared to £8.6m in 2017. The higher figure in 2017 was due to a combination of one-off factors which boosted income in that year.

In 2017, donations and legacies were abnormally high due to the transfer of the net assets of the Boughton Fund amounting to £2.4m. The Boughton Fund was a separate charity which had been set up to support the work of the House of Hospitality charity. The trustees of the Fund decided that it would be more efficient to wind up the Fund and for Grace and Compassion Benedictines to hold the funds itself, but restricted to the purposes of the House of Hospitality Fund. Donations and legacies from more regular sources amounted to £1.03m in 2018 (2017: £198k). The figure for 2018 included unusually high legacy income of £800k (2017: £14.5k).

In addition there were gains on the disposal of fixed assets of £906k (2017: £1.9m) with the sale of retirement accommodation at Holy Cross and of two other properties considered to be surplus to requirements.

Expenditure was broadly unchanged at £5.77m (2017: £5.73m). There was also little change within categories of expenditure.

The result was a surplus or net income, before investment gains and losses, for the year of £656k (2017: £2.9m). The investment portfolio, established in 2016 and supplemented by the transfer of investments from the Boughton Fund in 2017, showed gains of £166.7k (2017: £148.7k) giving an overall net increase in funds of £822k (2017: £3m).

There was no significant change within the balance sheet. Tangible fixed assets fell with the sales referred to above and another year's depreciation charge. Investments increased thanks to the growth in values. Net current assets improved with the year's surplus and in particular the sale of properties.

Investment Powers and Policy

The trustees are empowered within the Trust Deed to invest any monies as authorised by law for the investment of trust monies in a manner they think fit. The trustees have decided, considering the charity's long-term commitments to support the work in England and elsewhere, that the establishment of an investment portfolio would be appropriate.

The total return (that is income plus/minus capital gains/losses) on the portfolio in the year was approximately 7% which is broadly in line with averages for the charity sector. The trustees are therefore satisfied with the performance of the portfolio but will continue to monitor it closely.

Reserves Policy

The general, unrestricted funds of the charity at the end of the year stood at £16.8m. Of this, some £8.37m is represented by tangible fixed assets, leaving £8.4m as "free reserves". The intention of the Trustees is to hold one to two years' expenditure in general reserve and the current level is within this range. They will continue to monitor closely both reserves and expenditure levels.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (continued)

PLANS FOR THE FUTURE

The charity has no long-term plans to create new care homes and retirement villages, but will continue to improve its existing portfolio of properties in order to provide an up to date and comfortable environment for its elderly residents and tenants.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

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 financial statements comply with the Charities Act 2011 and the provisions of the 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.

Approved by the Trustees on 10 June 2019 and signed as authorised on their behalf by:

K Yeeles
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

OF GRACE AND COMPASSION BENEDICTINES

Opinion

We have audited the financial statements of Grace and Compassion Benedictines for the year ended 30 September 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2018 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

OF GRACE AND COMPASSION BENEDICTINES

(continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP
Statutory Auditor

10 June 2019

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

GRACE AND COMPASSION BENEDICTINES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £ (note 22)
INCOME from					
Donations and Legacies	1	1,034,194	-	1,034,194	2,602,354
Charitable activities	2	4,331,560	-	4,331,560	4,053,762
Investments	3	74,235	82,183	156,418	51,813
Other					
- Gain on disposal of tangible fixed assets	4	343,783	561,982	905,765	1,901,919
Total income		<u>5,783,772</u>	<u>644,165</u>	<u>6,427,937</u>	<u>8,609,848</u>
EXPENDITURE on					
Cost of raising funds					
- Investment management fees		13,185	7,231	20,416	12,596
Charitable activities	5	1,707,907	4,043,928	5,751,835	5,718,186
Total expenditure		<u>1,721,092</u>	<u>4,051,159</u>	<u>5,772,251</u>	<u>5,730,782</u>
Net income/(expenditure) before gains on investments		4,062,680	(3,406,994)	655,686	2,879,066
Net gains on investments		80,715	85,985	166,700	148,743
Net income/(expenditure) and movement in funds		<u>4,143,395</u>	<u>(3,321,009)</u>	<u>822,386</u>	<u>3,027,809</u>
Brought forward at start of year		12,661,316	8,475,556	21,136,872	18,109,063
Carried forward at end of year		<u><u>£16,804,711</u></u>	<u><u>£5,154,547</u></u>	<u><u>£21,959,258</u></u>	<u><u>£21,136,872</u></u>

All operations are continuing and there are no discontinued operations in either year. There are no other gains or losses other than those stated above.

The notes form part of these financial statements.

GRACE AND COMPASSION BENEDICTINES

BALANCE SHEET

AT 30 SEPTEMBER 2018

	Notes	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible Assets	14		11,454,570		11,990,497
Investments	15		4,824,950		4,525,181
			<u>16,279,520</u>		<u>16,515,678</u>
CURRENT ASSETS					
Debtors	16	636,678		81,723	
Cash at bank & in hand		5,417,276		4,971,195	
		<u>6,053,954</u>		<u>5,052,918</u>	
CREDITORS: Amounts falling due within one year	17 (a)	(362,716)		(417,924)	
NET CURRENT ASSETS			<u>5,691,238</u>		<u>4,634,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			21,970,758		21,150,672
CREDITORS: Amounts falling due after one year	17 (b)		(11,500)		(13,800)
NET ASSETS			<u>£21,959,258</u>		<u>£21,136,872</u>
FUNDS					
Unrestricted Funds			16,804,711		12,661,316
Restricted Funds	19		5,154,547		8,475,556
			<u>£21,959,258</u>		<u>£21,136,872</u>

The financial statements were approved and authorised for issue by the Trustees on 10 June 2019 and were signed below on its behalf by:

K Yeeles
Trustee

C Murtagh
Trustee

The notes form part of these financial statements.

GRACE AND COMPASSION BENEDICTINES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Cash flows from Operating Activities		
Net cash outflow from operating activities	(237,724)	(375,078)
Cash flows from investing activities		
Dividends and interest from investments	(156,418)	(51,813)
Payments to acquire investments	(209,997)	(42,315)
Receipts from sales of investments	76,928	-
Payments to acquire tangible fixed assets	-	(20,000)
Receipts from sales of tangible fixed assets	973,292	3,359,928
Net cash provided by/(used in) investing activities	683,805	3,245,800
Change in cash and cash equivalents in year	446,081	2,870,722
Cash and cash equivalents at 1 October 2017	4,971,195	2,100,473
Cash and cash equivalents at 30 September 2018	£5,417,276	£4,971,195

Notes to the Cash Flow Statement

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net movement in funds (as per the Statement of Financial Activities)	822,386	3,027,809
Adjustments for		
Dividends and interest from investments	156,418	51,813
Depreciation	468,400	470,778
Net transfer from provision for liabilities & charges	(2,300)	(2,300)
Transfer of non-cash assets from the Boughton Endowment Trust	-	(2,330,823)
(Gains)/Losses on disposal of tangible fixed assets	(905,765)	(1,901,919)
(Gains)/Losses on investments assets	(166,700)	(148,743)
Decrease/(Increase) in debtors	(554,955)	376,575
Increase in creditors	(55,208)	81,732
Net cash provided by/(used in) operating activities	(237,724)	(375,078)

B. Analysis of cash and cash equivalents

Cash at bank and in hand	5,417,276	4,971,195
Total cash and cash equivalents	£5,417,276	£4,971,195

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES

YEAR ENDED 30 SEPTEMBER 2018

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

The financial statements have been prepared in accordance with all statutory requirements and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Figures are presented in sterling and rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

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 30 September 2019, the most significant factors likely to affect the financial future of the charity are the uncertain economic outlook, particularly that which applies to all organisations providing care services, and the pressure on Local Authority finances with its consequent effect on fee levels and the rate of increase in care costs which is tending to run at above the general rate of inflation.

General Information

The Charity is registered in England and Wales (charity no: 1056064). The Charity's principal office address is Grace and Compassion Convent, St Mary's House, 38/39 Preston Park Avenue, Brighton, BN1 6HG.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2018

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, 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(s) 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, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of care services service is deferred until the criteria for income recognition are met.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been paid.

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

Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's Nursing and Care Homes and its Retreat Centres as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations and direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.
- Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2018

Tangible fixed assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

	Annual rate
Freehold land	Nil
Freehold buildings	2% to 2.5%
Furniture, fittings and equipment	10 %
Motor vehicles	25%

Financial Instruments and investments

The charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Quoted investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains or losses on investments are disclosed in the statement of financial activities as a combined figure for realised gains or losses from investment sales in the year (sale proceeds less market value last year) and unrealised gains or losses arising from the increase/decrease in value during the year of investments still held.

Receipts on maturity are recognised as investment gains, net of the relevant premiums paid, and the annual premiums are included as an addition to the Deferred Annuity Contract.

As noted above, the main form of financial risk to which the charity is exposed is that of the volatility in investment markets.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2018

Services provided by members of the Congregation

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Resale of Life Tenancies

Receipts from the resale of life tenancies are held as a provision and are recognised as income over a ten year period in line with the amounts that would become payable, in accordance with the terms of the lease, if the life tenant vacated the property. Receipts from the sale of life tenancies are shown gross in the Statement of Financial Activities with a deduction for income deferred until subsequent periods (net of creditors for amounts received in earlier years recognised as income in the current year).

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2018

1. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2018 £	2017 £
Donations	247,605	-	247,605	175,834
Income donated by Sisters	6,591	-	6,591	7,878
Legacies	779,998	-	779,998	14,506
	<u>1,034,194</u>	<u>-</u>	<u>1,034,194</u>	<u>198,218</u>
Transfer of net assets of the Boughton Endowment Trust (see below)	-	-	-	2,404,136
	<u>£1,034,194</u>	<u>£-</u>	<u>£1,034,194</u>	<u>£2,602,354</u>
Year ended 30 September 2017	<u>£198,218</u>	<u>£2,404,136</u>	<u>£2,602,354</u>	

Included in the above for 2016-17 is a transfer of the net assets of the Boughton Endowment Fund, the trustees of which decided to wind up with effect from 30 September 2017 with a transfer of the assets to the charity. The Boughton Endowment Fund, a separately registered charity (number 266764) was established to support the work of the House of Hospitality. Consequently the assets received have been added to the House of Hospitality Restricted Fund.

	2018 £	2017 £
The net assets received consisted of:		
Investment portfolio	-	2,334,123
Bank balance	-	73,313
Current liabilities	-	(3,300)
	<u>£-</u>	<u>£2,404,136</u>

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2018 £	Unrestricted 2017 £
Residential Accommodation and Nursing Homes	3,850,975	3,575,203
Retirement Accommodation	480,585	478,559
	<u>£4,331,560</u>	<u>£4,053,762</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2018

3. INVESTMENT INCOME

	Unrestricted £	Restricted £	2018 £	2017 £
Bank deposit interest	-	-	-	51,813
From portfolio of investments	74,235	82,183	156,418	-
	<u>£74,235</u>	<u>£82,183</u>	<u>£156,418</u>	<u>£51,813</u>
Year ended 30 September 2017	<u>£51,813</u>	<u>£-</u>	<u>£51,813</u>	

4. GAIN ON DISPOSAL OF TANGIBLE FIXED ASSETS

	Unrestricted £	Restricted £	2018 £	2017 £
Properties				
Proceeds (net of costs)	399,755	573,537	973,292	3,359,928
Net book value	(55,972)	(11,555)	(67,527)	(1,458,009)
Net Gain on Disposal	<u>£343,783</u>	<u>£561,982</u>	<u>£905,765</u>	<u>£1,901,919</u>

Year ended 30 September 2017

	Unrestricted £	Restricted £	2017 £
Property - flats and apartments at Holy Cross Priory			
Proceeds (net of costs)	865,355	-	865,355
Net book value	(525,452)	-	(525,452)
	<u>339,903</u>	<u>-</u>	<u>339,903</u>
Property - St Joseph's, Bognor Regis			
Proceeds (net of costs)	961,779	1,532,794	2,494,573
Net book value	(359,546)	(573,011)	(932,557)
	<u>602,233</u>	<u>959,783</u>	<u>1,562,016</u>
Net Gain on Disposal	<u>£942,136</u>	<u>£959,783</u>	<u>£1,901,919</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Residential Accommodation and Nursing Homes £	Retirement Accommodation £	Support of Sisters / Pastoral Ministry £	Mission Support and Donations £	2018 Total £	2017 Total £
Staff costs	1,775,207	237,247	-	-	2,012,454	1,937,372
Deprecation	173,061	93,997	-	-	267,058	269,436
Other operational costs	594,463	677,792	105,369	-	1,377,624	1,187,251
Administrative expenses	310,026	128,782	-	-	438,808	419,340
Missions support & donations (note 7)	-	-	-	1,300,200	1,300,200	1,363,825
	<u>2,852,757</u>	<u>1,137,818</u>	<u>105,369</u>	<u>1,300,200</u>	<u>5,396,144</u>	<u>5,177,224</u>
Support costs	195,990	65,330	48,998	16,333	326,651	514,442
Governance costs	17,424	5,808	4,356	1,452	29,040	26,520
	<u><u>£3,066,171</u></u>	<u><u>£1,208,956</u></u>	<u><u>£158,723</u></u>	<u><u>£1,317,985</u></u>	<u><u>£5,751,835</u></u>	<u><u>£5,718,186</u></u>

Year ended 30 September 2017

	Residential Accommodation and Nursing Homes £	Retirement Accommodation £	Support of Sisters / Pastoral Ministry £	Mission Support and Donations £	2017 Total £
Staff costs	1,740,085	197,287	-	-	1,937,372
Deprecation	173,061	96,375	-	-	269,436
Other operational costs	639,472	495,079	52,700	-	1,187,251
Administrative expenses	284,382	134,958	-	-	419,340
Missions support & donations (note 7)	-	-	-	1,363,825	1,363,825
	<u>2,837,000</u>	<u>923,699</u>	<u>52,700</u>	<u>1,363,825</u>	<u>5,177,224</u>
Support costs	308,665	102,889	77,166	25,722	514,442
Governance costs	15,912	5,304	3,978	1,326	26,520
	<u><u>£3,161,577</u></u>	<u><u>£1,031,892</u></u>	<u><u>£133,844</u></u>	<u><u>£1,390,873</u></u>	<u><u>£5,718,186</u></u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	2018 £	2017 £
Support costs		
Staff costs	18,885	58,041
Establishment expenses	4,921	47,784
Administrative costs	101,503	207,275
Depreciation	201,342	201,342
	<hr/> 326,651	<hr/> 514,442
Governance costs		
Audit fees	23,040	20,520
Other	6,000	6,000
	<hr/> 29,040	<hr/> 26,520
	<hr/> £355,691	<hr/> £540,962
Allocation of Governance & Support Costs		
Residential Accommodation and Nursing Homes	213,414	324,577
Retirement Accommodation	71,138	108,193
Support of Sisters and their ministry	53,354	81,144
Mission Support and Donations	17,785	27,048
	<hr/> £355,691	<hr/> £540,962

7. MISSION SUPPORT AND DONATIONS

	2018 £	2017 £
The direct costs of Overseas Outreach includes the payment of grants as follows:		
Support of the Congregation's mission in:		
Uganda	41,500	57,000
Kenya	255,050	184,500
Sri Lanka	797,000	470,000
India	206,650	652,325
	<hr/> £1,300,200	<hr/> £1,363,825

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

8. NET EXPENDITURE FOR THE YEAR

	2018 £	2017 £
This is stated after charging:		
Depreciation	468,400	470,778
Auditors remuneration		
- Audit fees	23,040	20,520
- Accountancy services	-	-
	<u> </u>	<u> </u>

9. STAFF COSTS

	2018 £	2017 £
Staff costs during the year were as follows:		
Wages and salaries	1,730,489	1,695,686
Social security costs	120,942	119,120
Other pension costs	48,582	56,904
	<u> </u>	<u> </u>
	1,900,013	1,871,710
Staff restructuring costs (see below)	-	6,280
Other costs		
(including temporary staff, staff training, subscriptions & uniforms)	131,326	117,423
	<u> </u>	<u> </u>
	£2,031,339	£1,995,413
	<u> </u>	<u> </u>
Staff restructuring costs comprise:		
Redundancy payments	-	6,280
Other restructuring costs	-	-
	<u> </u>	<u> </u>
	£-	£6,280
	<u> </u>	<u> </u>

No employees earned more than £60,000 during the year or the prior year.

The key management personnel of the charity in charge of directing, controlling and operating the charity on a day to day basis comprise the Trustees.

The charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with amounts paid in respect of 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.

10. STAFF NUMBERS

	2018 No.	2017 No.
The average monthly head count of employees during the year was:	<u>112</u>	<u>125</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

11. PENSIONS

The charity operates a defined contribution Group Personal Pension Plan for its employees. The charity is not liable to finance any shortfall of funding and cannot benefit from over funding. Employer contributions payable into the scheme during the year were at a rate of 3% of pensionable salary and members contributed 2% of pensionable salary.

Employer contributions of £48,582 (2017: £56,904) were paid during the year.

12. TRUSTEE REMUNERATION AND EXPENSES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all members of the Congregation within the Province.

The living costs of the five Trustees are therefore borne by the Charity.

13. TAXATION

As a registered charity the Grace and Compassion Benedictines 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.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

14. FIXED ASSETS

	Freehold Properties £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
COST				
At 1 October 2017	15,264,822	800,358	77,909	16,143,089
Disposals during the year	(95,126)	-	(13,858)	(108,984)
At 30 September 2018	15,169,696	800,358	64,051	16,034,105
DEPRECIATION				
At 1 October 2017	3,673,245	423,130	56,217	4,152,592
Charge for the year	378,933	80,036	9,431	468,400
On disposals	(27,599)	-	(13,858)	(41,457)
At 30 September 2018	4,024,579	503,166	51,790	4,579,535
NET BOOK VALUE				
30 September 2018	£11,145,117	£297,192	£12,261	£11,454,570
NET BOOK VALUE				
30 September 2017	£11,591,577	£377,228	£21,692	£11,990,497

All fixed assets are used for direct charitable purposes.

15. INVESTMENTS

	2018 Total £	2017 Total £
At 1 October 2017	4,525,181	2,000,000
Additions at cost	209,997	42,315
Transfer of investments from the Boughton Endowment Trust	-	2,334,123
Disposals (at book value)		
Proceeds	(76,928)	
Gains/(losses) by reference to opening value	227	
Net revaluation gains	(76,701) 166,473	- 148,743
At 30 September 2018	£4,824,950	£4,525,181
Listed on UK Stock exchange		
Equities	4,167,366	3,951,928
Fixed-interest stocks	337,335	347,072
Portfolio bank deposits	4,504,701 320,249	4,299,000 226,181
At 30 September 2018	£4,824,950	£4,525,181

No investment represents more than 5% of the portfolio.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

16. DEBTORS	2018	2017
	£	£
Fees receivable	90,318	67,300
Prepayments and other debtors	546,360	14,423
	<u>£636,678</u>	<u>£81,723</u>
17. CREDITORS:	2018	2017
(a) Amounts falling due within one year	£	£
Trade creditors	76,348	102,734
Accruals and deferred income	284,068	309,590
Accruals and deferred income transferred from the Boughton Endowment Trust	-	3,300
Life tenancies	2,300	2,300
	<u>£362,716</u>	<u>£417,924</u>
(b) Amounts falling due after more than one year		
Life tenancies (see Note 18)	<u>£11,500</u>	<u>£13,800</u>
18. LIFE TENANCIES	£	£
Balance 1 October 2017	16,100	18,400
Repayments of life tenancies	-	-
Transferred to income	(2,300)	(2,300)
Balance 30 September 2018	<u>£13,800</u>	<u>£16,100</u>
Due within one year	2,300	2,300
Due after more than one year	11,500	13,800
	<u>£13,800</u>	<u>£16,100</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2018

19. RESTRICTED FUNDS

Movement in year

	Beginning of year £	Net Income / (Expenditure) £	Gains/ (Losses) on Investments £	End of year £
House of Hospitality Fund	7,194,671	(3,226,265)	85,985	4,054,391
Benedictine Sisters Fund	1,280,885	(180,729)	-	1,100,156
	£8,475,556	£(3,406,994)	£85,985	£5,154,547
Movements in prior year				
House of Hospitality Fund	6,982,201	212,470	-	7,194,671
Benedictine Sisters Fund	1,280,885	-	-	1,280,885
Overseas Missions Fund	300,000	(300,000)	-	-
	£8,563,086	£(87,530)	£-	£8,475,556

The House of Hospitality and Benedictine Sisters Funds represent the net assets transferred from these charities under a Charity Commission scheme dated 1 October 1996. These assets are applied in accordance with their respective original purposes which were set out in the terms of the Trusts under which these assets were held in the original charities which will continue to apply. Therefore the residual funds taken over from these charities are shown as restricted funds.

Overseas Missions Fund – represents a legacy given for the work of the Sisters’ overseas missions in Asia and Africa and material relief of the destitute, preferably including the provision of training for one or more Sisters as doctors.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Restricted Funds				
House of Hospitality Fund	3,079,880	-	974,511	4,054,391
Benedictine Sisters Fund	-	-	1,100,156	1,100,156
	3,079,880	-	2,074,667	5,154,547
Unrestricted Funds	8,374,690	4,824,950	3,605,071	16,804,711
	£11,454,570	£4,824,950	£5,679,738	£21,959,258

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. FINANCIAL INSTRUMENTS	2018 £	2017 £
Financial assets comprising listed investments measured at fair value	<u>4,504,701</u>	<u>4,299,000</u>
Financial assets comprising cash, trade and other debtors measured by amortised cost	<u>6,374,203</u>	<u>5,279,099</u>
Financial liabilities comprising trade and other creditors measured by amortised cost	<u>374,216</u>	<u>431,724</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

22. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted £	Restricted £	Total 2017 £
	Notes			
INCOME from				
Donations and Legacies	1	198,218	2,404,136	2,602,354
Charitable activities	2	4,053,762	-	4,053,762
Investments	3	51,813	-	51,813
Other				
- Gain on disposal of tangible fixed assets	4	942,136	959,783	1,901,919
Total income		5,245,929	3,363,919	8,609,848
EXPENDITURE on				
Cost of raising funds				
- Investment management fees		12,596	-	12,596
Charitable activities	5	2,266,737	3,451,449	5,718,186
Total expenditure		2,279,333	3,451,449	5,730,782
Net income/(expenditure) and movement in funds		2,966,596	(87,530)	2,879,066
Net gains on investments		148,743	-	148,743
Net income/(expenditure) and net movement in funds for the year		3,115,339	(87,530)	3,027,809
Accumulated Funds				
Brought forward at start of year		9,545,977	8,563,086	18,109,063
Carried forward at end of year		£12,661,316	£8,475,556	£21,136,872