

Carmel The Annunciation

Unaudited Financial Statements

For the period ended

31st December 2022

GARDINER RUSSELL ACCOUNTING LIMITED

Chartered Accountants
First Floor, 2 Castle Buildings
147-149 Telegraph Road
Heswall
Wirral
CH60 7SE

Carmel The Annunciation

Financial Statements

Period from 20th June 2022 to 31st December 2022

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	3
Statement of financial activities	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7

Carmel The Annunciation

Trustees' Annual Report

Period from 20th June 2022 to 31st December 2022

The trustees present their report and the unaudited financial statements of the charity for the period ended 31st December 2022.

Reference and administrative details

Registered charity name Carmel The Annunciation

Charity registration number 1199380

Principal office 12 Grosvenor Place
Birkenhead
Wirral
CH43 1UA

The trustees

Sr B M Baker (Mother Prioress)
Sr R M Nye
Rev N Doohan
Sr P E Davitt
Rev S Riley
Sr M Villar
Ms D Nye
Mrs M Evans

Independent examiner Ben Russell FCA
Gardiner Russell Accounting Limited
First Floor, 2 Castle Buildings
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Heswall
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CH60 7SE

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) - Foundation, registered under a Trust Deed dated 20 June 2022.

Apart from the first charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

On appointment, the charity trustees will make available to each new charity trustee, on or before his or her first appointment a copy of the current version of this constitution and a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

Objectives and activities

The objective of the Charity is the advancement of the Roman Catholic religion through the religious and other charitable work of the Carmelite Monastery in such ways as the Trustees shall from time to time think fit.

Carmel The Annunciation

Trustees' Annual Report *(continued)*

Period from 20th June 2022 to 31st December 2022

Achievements and performance

This first period has been one of bringing the charity to life as well as continuing the work of Carmel, which has been established in the area for many decades. In September 2022 the Charity was delighted to welcome the Relics of St Bernadette of Lourdes for a brief visit. This was a time of great prayer and devotion, and an honour to be able to host the Relics.

Carmel continued to offer support to those of all faiths and none through their outreach work supporting poor families locally, as well as offering accommodation for priests seeking retreats, and facilities for days of recollection and study.

On a practical level, work has continued on measures to reduce the carbon footprint of the site. A bore hole has been dug and works carried on into the next year to commission it. Major repairs to the chapel have also been undertaken with a full repair of the roof.

Financial review

During the period the charity benefitted from the transfer of assets from the previous unincorporated organisation, as well as significant donations. At the end of the period, the charity is in a sound financial position.

The trustees' annual report and the strategic report were approved on 31 October 2023, and signed on behalf of the board of trustees by:

The trustees' annual report was approved on 31 October 2023 and signed on behalf of the board of trustees by:

Sr B M Baker
Mother Prioress and Trustee

Carmel The Annunciation

Independent Examiner's Report to the Trustees of Carmel The Annunciation

Period from 20th June 2022 to 31st December 2022

I report to the trustees on my examination of the financial statements of Carmel The Annunciation ('the charity') for the period ended 31st December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ben Russell FCA
Independent Examiner

First Floor, 2 Castle Buildings
147-149 Telegraph Road
Heswall
Wirral
CH60 7SE

31 October 2023

Carmel The Annunciation
Statement of Financial Activities

Period from 20th June 2022 to 31st December 2022

	Note	Period from 20 Jun 22 to 31 Dec 22	
		Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	277,672	277,672
Investment income	5	171	171
Other income	6	102,491	102,491
Total income		<u>380,334</u>	<u>380,334</u>
Expenditure			
Expenditure on charitable activities	7,8	110,684	110,684
Total expenditure		<u>110,684</u>	<u>110,684</u>
Net income and net movement in funds		<u>269,650</u>	<u>269,650</u>
Reconciliation of funds			
Total funds brought forward		—	—
Total funds carried forward		<u>269,650</u>	<u>269,650</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Carmel The Annunciation
Statement of Financial Position
31st December 2022

	Note	31 Dec 22 £
Fixed assets		
Tangible fixed assets	13	135,978
Current assets		
Debtors	14	1,198
Cash at bank and in hand		136,809
		<u>138,007</u>
Creditors: amounts falling due within one year	15	4,335
Net current assets		<u>133,672</u>
Total assets less current liabilities		<u>269,650</u>
Net assets		<u>269,650</u>
Funds of the charity		
Unrestricted funds		<u>269,650</u>
Total charity funds	16	<u>269,650</u>

These financial statements were approved by the board of trustees and authorised for issue on 31 October 2023, and are signed on behalf of the board by:

Sr B M Baker
Mother Prioress and Trustee

Carmel The Annunciation

Statement of Cash Flows

Period from 20th June 2022 to 31st December 2022

	31 Dec 22 £
Cash flows from operating activities	
Net income	269,650
<i>Adjustments for:</i>	
Depreciation of tangible fixed assets	2,775
Other interest receivable and similar income	(171)
Interest payable and similar charges	82
Accrued expenses	4,335
<i>Changes in:</i>	
Trade and other debtors	(1,198)
Cash generated from operations	<u>275,473</u>
Interest paid	(82)
Interest received	171
Net cash from operating activities	<u><u>275,562</u></u>
Cash flows from investing activities	
Purchase of tangible assets	(138,753)
Net cash used in investing activities	<u><u>(138,753)</u></u>
Net increase in cash and cash equivalents	136,809
Cash and cash equivalents at beginning of period	<u>–</u>
Cash and cash equivalents at end of period	<u><u>136,809</u></u>

The notes on pages 7 to 13 form part of these financial statements.

Carmel The Annunciation

Notes to the Financial Statements

Period from 20th June 2022 to 31st December 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 12 Grosvenor Place, Birkenhead, Wirral, CH43 1UA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property - 2% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £
Donations		
Donations	260,304	260,304
Pensions received	17,036	17,036
Donations for altar breads	332	332
	<u>277,672</u>	<u>277,672</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	171	171

6. Other income

	Unrestricted Funds £	Total Funds 2022 £
Transfer of funds from predecessor entity	102,491	102,491

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022
	£	£
Provision of facilities	109,348	109,348
Support costs	1,336	1,336
	110,684	110,684

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022
	£	£	£
Provision of facilities	109,348	–	109,348
Governance costs	–	1,336	1,336
	109,348	1,336	110,684

9. Net income

Net income is stated after charging/(crediting):

	31 Dec 22
	£
Depreciation of tangible fixed assets	2,775
	2,775

10. Independent examination fees

	Period from
	20 Jun 22 to
	31 Dec 22
	£
Fees payable to the independent examiner for:	
Independent examination of the financial statements	540
Other financial services	714
	1,254

11. Staff costs

The average head count of employees during the period was Nil.

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

13. Tangible fixed assets

	Freehold property £
Cost	
At 20th June 2022	–
Additions	138,753
At 31st December 2022	<u>138,753</u>
Depreciation	
At 20th June 2022	–
Charge for the period	2,775
At 31st December 2022	<u>2,775</u>
Carrying amount	
At 31st December 2022	<u>135,978</u>

14. Debtors

	31 Dec 22 £
Prepayments and accrued income	<u>1,198</u>

15. Creditors: amounts falling due within one year

	31 Dec 22 £
Accruals and deferred income	<u>4,335</u>

16. Analysis of charitable funds

Unrestricted funds

	At 20th June 2022	Income	Expenditure	At 31st December 2022
	£	£	£	£
General funds	–	<u>380,334</u>	<u>(110,684)</u>	<u>269,650</u>

Carmel The Annunciation

Notes to the Financial Statements *(continued)*

Period from 20th June 2022 to 31st December 2022

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2022
	£	£
Tangible fixed assets	135,978	135,978
Current assets	138,007	138,007
Creditors less than 1 year	(4,335)	(4,335)
Net assets	<u>269,650</u>	<u>269,650</u>