

Institute of Our Lady of Mercy



INSTITUTE OF OUR LADY OF MERCY

ANNUAL REPORT 2022



New Convent purchased at Brentwood

Registered Charity No. 290544

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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Institute of Our Lady of Mercy

TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 DECEMBER 2022

Name of the Charity

Institute of Our Lady of Mercy

Date of Registration

30 November 1984

Charity Registration No

290544

Trustees

| | |
|-------------------------|-------------------------|
| Norah Frances Cronin | (Sr. Colette Cronin) |
| Johanna Elizabeth Breen | (Sr. Joan Breen) |
| Mary Bernadette Holmes | (Sr. Bernadette Holmes) |
| Barbara Jane Jeffery | (Sr. Barbara Jeffery) |
| Mary Teresa Mullen | (Sr Maura Mullen) |
| Lynne Julie Spendelow | (Sr. Lyndsay Spendelow) |

Principal Address

Institute of Our Lady of Mercy
Convent of Mercy
Cemetery Road
Yeadon
Leeds LS19 7UR

Property Advisors

The JTS Partnership LLP
Number One
The Drive
Great Warley
Brentwood
Essex CM13 3DJ

Legal Advisors

Lupton Fawcett LLP
2 The Embankment
Sovereign Street
Leeds
LS1 4BA

Investment Advisors

Charles Stanley & Company Limited
25 Luke Street
London EC2A 4AR

Independent Auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds LS1 4DL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Trustees have pleasure in presenting their report and financial statements for the year ended 31 December 2022. The report and statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and with the Charity's own Trust Deed.

The Institute of Our Lady of Mercy is an Order of Roman Catholic Sisters of Mercy (the Congregation). It is one of three strands of the Mercy family in Great Britain, stemming from the first foundation of Catherine McAuley. It was formed from the union of twenty autonomous Congregations and was formally recognised by the Vatican as a Religious Congregation of Pontifical Rights in November 1983.

The Charity is a charitable trust on which the assets of the Congregation are held and the vehicle through which the charitable activities of the Congregation are conducted. The Charity is governed by a Trust Deed dated 24 October 1984 as amended by a Deed of Revocation and Declaration dated 25 June 1992, a Deed of Declaration dated 9 March 2000 and schemes of the Charity Commission dated 9 February 1989, 15 February 1989, 28 July 1995, and 31 December 2000.

The Charity is registered with the Charity Commission with registered number 290544. The Trustees are incorporated under the provisions of Section 251 of the Charities Act 2011 as "the Trustees of the Institute of Our Lady of Mercy" by a Scheme of the Charity Commission dated 29 October 1985.

The Trustees registered a new entity with the Charity Commission: Institute of Our Lady of Mercy CIO (registered Charity Number 1201690) on 24 January 2023. All Trustees of the Charitable Trust are Trustees of the CIO. It is the intention that all of the assets and liabilities of the Charitable Trust will be transferred to the CIO by no later than 1 January 2024.

There are two subsidiary charitable trusts, the Fullerton Fund and the Costello Fund (Alnwick) both of which have specific objects and which are separately registered with the Charity Commission as linked charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Appointment of Trustees

The Congregation is administered by the General Council, which is elected for a five-year term at the 'General Chapter'.

General Chapters are held every five years. The Institute Constitutions state that "the supreme authority in the Institute is vested by the Church in the General Chapter". Delegates attending the Chapter determine the policies and priorities of the Institute. They also elect the Institute Leader and General Council from those Sisters who are eligible for election. The Institute Leader and the members of the General Council are, by virtue of clause 6(1) of the Charity's Trust Deed, also Trustees of the Charity.

The Constitutions of the Congregation dictate that the Institute Leader requires the deliberative vote of the General Council to establish and close houses, acquire or alienate goods or property, and determine such matters as the appointment of Local leaders to Communities and the admission of members to the Novitiate.

The Ninth General Chapter took place from 22 May – 2 June 2023 and saw the election of a new Leadership Team (who will also be Trustees) which will take up office from 1 September 2023. Sr Bernadette Holmes (current Trustee) was elected as the new Institute Leader. Sr Bernadette Roche was elected as the Assistant Leader; and Sisters Lynda Dearlove, Jude Groden and Christina O'Donnell were also elected to the Leadership Team. Delegates of the Chapter gave the new team the authority to alter the legal structure of the Institute, with the transfer of assets and liabilities from the present Charitable Trust to the Institute of Our Lady of Mercy CIO to be effective from 1 January 2024.

The Induction and Training of Trustees

All Trustees are members of the Congregation and as such have a comprehensive knowledge of the various works and structure of the Charity. They meet with the previous team in order to conduct a comprehensive handover, and also meet with the Institute Advisors.

Throughout their term in office, Trustees attend formal training courses on the duties of Trustees and seek guidance and advice from their legal, investment, Human Resources and property advisors on the day-to-day issues which arise in carrying out their duties.

Institute of Our Lady of Mercy

The Current Trustee Team



Left to Right: Sr Lyndsay Spendelow, Sr. Colette Cronin, Sr. Bernadette Holmes, Sr. Joan Breen, Sr. Maura Mullen and Sr. Barbara Jeffery

Institute Leader: Sister Colette Cronin

Sister Colette is a former Secondary School Teacher and holds overall responsibility for the Institute. She has worked full-time for the Congregation in various roles of responsibility since 1987. She is a member of the Mercy International Association (by virtue of being the Institute Leader) and held a place on the Board of the Mercy International Association until May 2021. Sister Colette is a Member of Conference of Religious (CoR) and a Member of the Union International of Superior Generals. She also serves as Governor for two schools: Broughton Hall Catholic High School, Liverpool (a Voluntary Aided school retained by the Institute); and St Joseph's Park Hill School, Burnley (the Institute's private school).

Assistant Leader: Sister Lyndsay Spendelow

Sister Lyndsay has a background in teaching at secondary school level and has also worked as a qualified psychotherapist and facilitator. She has previously held roles in Formation Ministry and Leadership within the Institute. Sister Lyndsay was elected as Assistant Leader at the Eighth General Chapter. She was responsible for Safeguarding and linked to Communities in Essex and London until ill health led her to withdraw from some activities.

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Sister Joan Breen

Sister Joan is a former Primary School Head Teacher, who served in both Chadwell Heath, Essex and in Burnley, Lancashire. As a Trustee, she supports the convents within geographical area of Derbyshire and South and West Yorkshire – including the ‘Community with Care’ in Doncaster (recently closed). She has overall responsibility for Education and serves on the governing body of St Joseph’s Park Hill School, Burnley, Lancashire. Sister Joan supports Sister Bernadette in her role as lead Trustee for Care; is a Trustee representative on the Employment Group; and is the Trustee responsible for Mercy Associates.

Sister Bernadette Holmes

Sister Bernadette has a nursing background and has focused on palliative care for much of her career. She gained experience at St Catherine’s Hospice Scarborough and was part of the team that set up the Macmillan service for Bridlington and East Yorkshire, establishing both the Bridlington Macmillan Palliative Care Ward and the Driffield Day Hospice. She previously served as a Trustee of the Institute from 1998 to 2008, where she developed both the Care Homes and Communities with Care. She worked part time for St Gemma’s Hospice Leeds from 2001, moving into outreach work in deprived areas of Leeds as a palliative nurse specialist from 2004 to 2018. Sister Bernadette supports Communities South of London. She links with the Care Homes and staff that work with the Institute, in addition Sr Bernadette is responsible for the Formation Group, the Employment Group and the Mercy Associates.

Sister Barbara Jeffery

Sister Barbara has worked for both the Institute and Union Sisters of Mercy in the field of archives for the past 24 years. She held office as the Chair of the Catholic Archives Society and collaborated on a book on ‘The History of the Diocese of Birmingham (1850-2000)’ with a member of the Diocesan Historical Commission. She also wrote a book on the Hardman Family of Birmingham who were instrumental in the Mercy Sisters being established there. She supports Convents in Wales, Liverpool, Burnley, Newcastle-under-Lyme and Handsworth, Birmingham. Sister Barbara is the General Secretary for the Congregation and also holds responsibility for Safeguarding and updating the Institute of Our Lady website.

Sister Maura Mullen

Sister Maura is a former Secondary School Teacher. She has held roles previously in Formation, and in Provincial and Central Leadership within the Congregation. She previously served as an Institute Trustee between 1993 and 2003. Sister Maura has also worked in the spheres of Facilitation and Spirituality offering retreats at St. Beuno’s Spirituality Centre, individual Spiritual Direction and Supervision and as a team member offering training in this field. Sister Maura holds responsibility for Formation and supports Communities in the North East including two Communities with Care in Hull and Whitby.

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Organisational Structure

The Organisational Structure Chart can be found on page 9. The Trustees conduct the business of the Institute at the principal office in Yeadon under the direction of the Institute Leader. They work full-time for no remuneration.

Various roles of responsibility are held by members of the congregation, for example, Sister Clare McNamara acts as General Bursar, and other Sisters act as Local Leaders. These members of the Congregation assist the Trustees and attend meetings relevant to their activity. Appointments are made by Trustees for a specific time-period then reviewed.

The Trustees are also assisted by a small central staff team comprising: Business Manager; Finance Co-ordinator; Human Resources (HR) Co-ordinator; and four part-time administration staff. These roles enable the Institute to develop its finance, human resource, administration and general management functions and provide greater support to its members, staff groups and partner organisations.

The Institute Leader holds overall responsibility. The remaining Trustees each hold designated areas of responsibility; However, they work together flexibly as a team. If a Trustee has a period of absence from the Generalate, the remaining Trustees organise to cover their roles between them. All major decisions are made by the group at formal meetings held over three days in 11 months of the year. (An example would include any specific project expenditure over £2,000). Occasionally, there is a need to make a decision outside of the scheduled meetings. In this case, a quorum of at least three Trustees is required to authorise a decision.

The General Bursar and Finance Co-ordinator attend the meetings relevant to their activity on a monthly basis. The Institute Property Advisors (The JTS Partnership LLP) and Legal advisors (Lupton Fawcett LLP) liaise with Trustees and the Staff Team on a regular basis. They deal with the Charity Commission on behalf of the Institute, as to governance and wider issues, including subject access requests and any matter relating to actual or potential litigation, as required and necessary. They submit regular written updating reports and attend Trustee Meetings bi-monthly. The Institute's Independent auditors (PricewaterhouseCoopers LLP) and Investment Manager (Charles Stanley & Company Limited, "Charles Stanley") attend Trustee Meetings on a bi-annual basis.

Separate bi-annual meetings are held with the Institute's insurers and independent insurance intermediary (The JTS Partnership LLP).

The Trustees from time to time appoint Committees to consider particular topics in greater detail. The committees typically include one or more Trustees, members of the Congregation, relevant staff and professional advisors. There are standing committees on employment issues and education.

Throughout 2022, all Sisters were involved in meetings in preparation for the General Chapter in May 2023. A Chapter Co-ordinating Group was formed, consisting of three Trustees and four Sisters from the Congregation. This Group worked with the Chapter Facilitator to plan and host various meetings, many of which were conducted online to enable maximum participation.

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St Joseph's Park Hill School in Burnley is run by an appointed Head Teacher, staff and Board of Governors to whom day to day management is delegated. Sister Joan Breen and Sister Colette Cronin serve as Governors on the Board of St Joseph's Park Hill School, Burnley.

The Institute operates two Care Homes, run by appointed Care Home Managers. The majority of Institute-run Communities with Care are run by appointed Managers. A Care Home Consultant and Business Consultant provide the necessary professional support to the Managers and Staff of the Care Homes and Communities with Care. These two part-time consultants assist the Trustees in their statutory obligations.

The Congregation

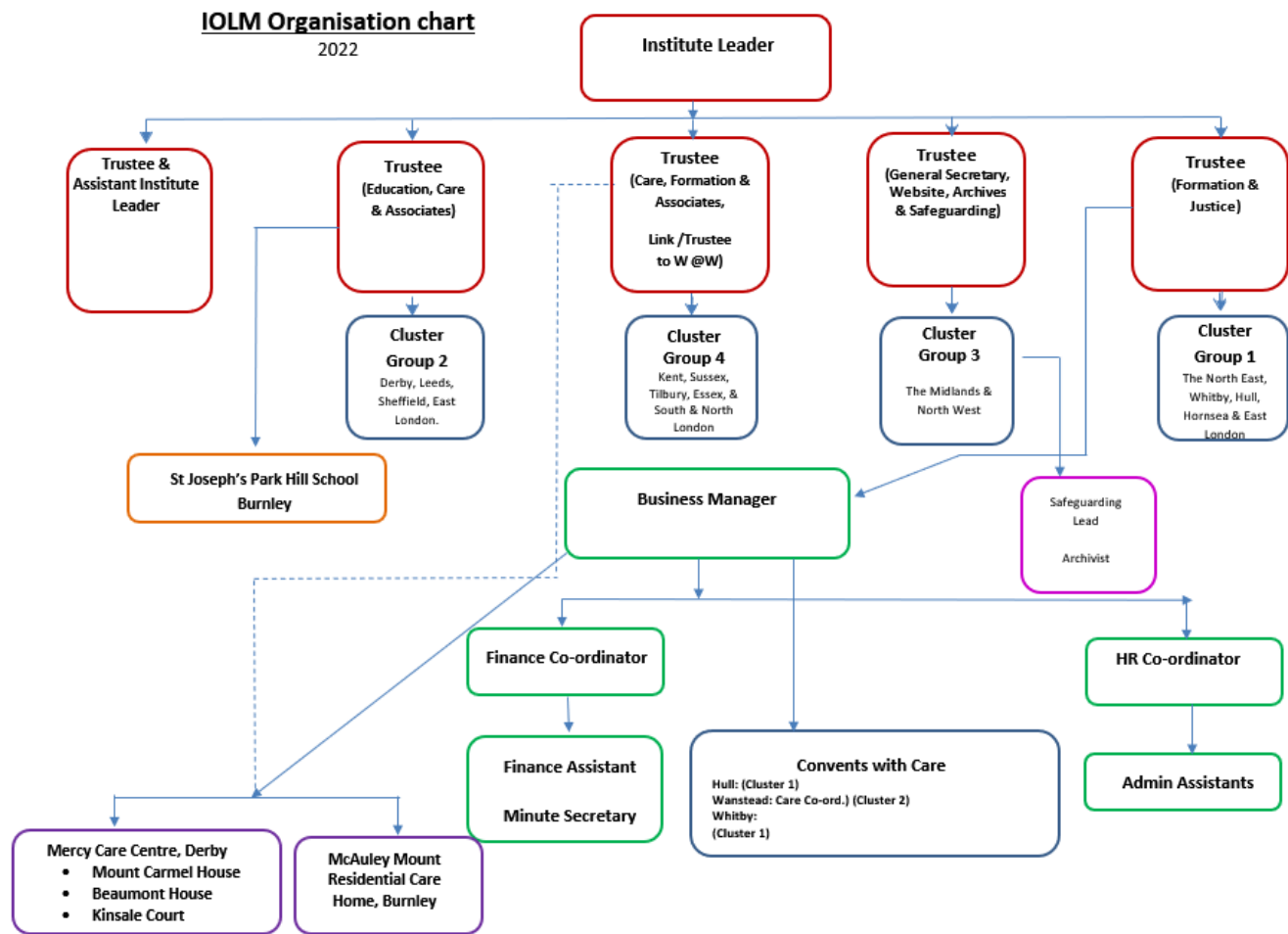
The Catholic Church requires members of a Religious Congregation to profess three vows: Poverty, Chastity and Obedience. Sisters of Mercy take a fourth vow: 'to serve the poor, sick and those in need' – our 'Charism'.

The Sisters covenant all their personal income to the Charity and live in established community houses. Each community budgets for groceries, utilities, vehicle costs and property maintenance. Each Sister is given a small allowance each year in order to allow her a little autonomy and to manage any personal costs that arise. Extraordinary expenditure such as large-scale property maintenance are considered by the Trustees.

Sisters who are members of the Congregation follow their own Apostolate on behalf of the Congregation: Many Sisters hold (or have held) teaching and nursing posts or perform other valuable work in the community. At the end of 2022 there were 149 Sisters ministering from approximately 40 sites in Britain, Kenya and Romania. Sadly, the last Sister of the Congregation in Peru passed away in 2022.

Further information on the activities of our Sisters can be found on pages 41 to 57.

ORGANISATIONAL STRUCTURE CHART



As at December 2022

Key: Red Trustee/Leadership Team, Green: Generalate Team, Blue: Communities, Purple: Care Homes, Brown: Schools

Mercy Associates

There are various groups of Mercy Associates throughout the UK consisting of Sisters, lay men and women and young people. These groups study the life of Catherine McAuley and are imbued with the Charism of Mercy. They pray together and carry out works of Mercy.

The Mercy Associate National Commission was set up in 2000. Some Institute Sisters serve on the Commission, together with Sisters from the other Mercy Groups and several lay people.

Some Mercy Associate groups begun by Sisters are now continuing on their own when convents have closed, or Sisters have moved away. These groups maintain their links to the National Commission and take part in national and local events.

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Employees

The Institute recognizes that staff lie at the heart of its mission and charitable work. The work of staff directly supports both beneficiaries and the welfare of the Sisters. In the past, Sisters and staff have worked very closely together, for example in schools and care homes. As this is no longer possible with an aging Sister profile, the Institute looks to provide the necessary vision and support for staff in fresh ways. Many Sisters sit alongside staff on management teams overseeing operational elements of the Institute’s work, for example in the Institute’s governance, in care homes, in schools and in employment matters. The sharing of this Mercy ethos and charism with staff continues formally and informally through building supportive relationships and demonstrating pastoral concern for all our staff whatever their role or location. The sharing of Mercy wisdom and experience from the Sisters is a hallmark of the Institute’s support to all its valued staff.

As at the end of 2022, the Charity had 244 employees, equating to 179 full time equivalents (FTE’s) (full time being 35 hours). A breakdown of employee numbers is given in the table below:

| | Staff Numbers | Percentage | FTE | FTE Percentage |
|------------------------------|----------------------|-------------------|------------|-----------------------|
| Care Homes | 103 | 42% | 90 | 50% |
| Communities with Care | 82 | 34% | 51 | 28% |
| Communities | 24 | 10% | 10 | 6% |
| Institute-Run School | 25 | 10% | 21 | 12% |
| Other | 10 | 4% | 7 | 4% |
| Total Employees | 244 | 100% | 179 | 100% |

Across the Institute, the purpose of FTEs can be classified as follows:

| Role Purpose | FTE | FTE Percentage |
|-----------------------|------------|-----------------------|
| Care | 138 | 77% |
| Education | 21 | 12% |
| Administration | 11 | 6% |
| Maintenance | 9 | 5% |
| Total | 179 | 100% |

(Note: With the exception of administration and maintenance staff; those employed within CareHomes and Communities have been classified as “Care”; those employed within schools are classified as “Education”).

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Pay Policy

The Institute continues to closely monitor and adapt its approach to fair remuneration and reward. This is imperative in the highly competitive UK employment market. Recruitment and retention remain challenging particularly in certain geographic areas and in the Care sector generally. The Institute continues to provide competitive rates of pay for its roles, helping to attract and retain staff who possess the skills, knowledge and values needed to deliver its charitable aims and objectives.

In deciding pay rates each year, Trustees consider a variety of matters; including affordability, current market rates, cost of living rises, the gender pay gap, equitable remuneration, differentiation, business plans and the relationship between job responsibility and pay. All Institute staff continue to be paid at least the 'real living wage' including London based staff.

The Institute strives to be an employer of choice for staff in the sectors and the locations in which it operates. Many staff have been with the organisation for a long period of time which is strong testimony to the supportive working environment, positive team spirit and the sense of belonging and contribution the working culture provides.

As reported last year, the Trustees made a strategic decision early in the pandemic to safeguard the financial wellbeing of Institute staff during the unprecedented challenge brought about by the Covid 19 pandemic. The Institute started to successfully transition out of the Covid staff support schemes during 2022 through to April 2023 when the Institute reverted back to its usual sick pay policy.

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Wellbeing

A variety of wellbeing initiatives are available for all employees. The 'employment offer' includes:

- **Regular wellbeing information, webinars and advice emails:** on a wide variety of wellbeing topics including mental and physical health, family matters, responses to the pandemic and financial wellbeing.
- **Regular team meetings, supervisions/appraisals and care shift debriefings:** staff are supported in a variety of channels to ensure they can freely share any work or personal concerns, with signposts to further support options when required.
- **Qualified mental health first aiders:** are in place at larger sites.
- **Increased holiday entitlements:** to reward staff who have become highly proficient through knowledge and length of service.
- **Cycle to work scheme:** which reduces the cost of buying a new bicycle and supports exercise.
- **Employee assistance programme:** 24/7 counselling and support for staff, plus legal and health information from qualified advisors.
- **Staff benefits scheme:** to reduce the cost of daily living expenses including discounted gym membership.
- **Health app:** a range of interactive tools designed to help staff monitor and improve their own wellbeing from the convenience of their smartphone.
- **Supportive managers:** who go the extra mile in caring for their team members.
- **Personal development:** staff benefit from many personal development opportunities appropriate to their role and ambition.

With mental health an important topic in all parts of society including the workplace, the Institute continues to support staff accessing talking therapies.

The Institute remains indebted to its employees who go above and beyond in delivering high-quality services to beneficiaries.

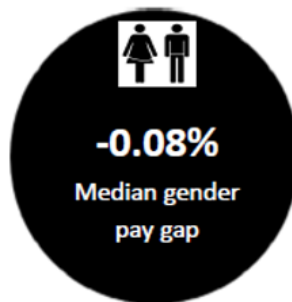
GENDER PAY GAP REPORT 2022

From April 2017, Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year, showing the difference between the average earnings of all men and all women.

Mirroring the rest of the care and primary education sectors where most of our staff are engaged, the Institute employs significantly more women than men. At the reporting date of 5 April 2022, we employed 262 people. 89% of these were women and 11% were men. This is a 0.1% increase in female staff from last year.

The Institute is publishing the results of six calculations using hourly pay rates as of 5th April 2022. These calculations do not reveal individual salary information.

Median gender pay gap in hourly pay



The data shows that on average the Institute pays women 0.08% more than men, resulting in a negative gender pay gap. There has been an 2.2% decrease in the median negative gender pay gap between 2021 and 2022.

Mean gender pay gap in hourly pay



The data shows that on average the Institute pays men 1.07% more than women, resulting in a positive gender pay gap. There has been a 1.54% decrease in the mean positive gender pay gap between 2021 and 2022.

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Bonus Payments

The Institute of Our Lady of Mercy has not paid bonuses to any staff and is therefore not reporting the median or mean data or the proportion of males and females receiving a bonus payment, as this is not applicable.

Equal Pay

It is important to note that a gender pay gap is different to equal pay. Unequal pay is unlawful, and while a gender pay gap is not unlawful it is something to review and address. There can be many causes of a gender pay gap, some of which are not in the control of an employer. Further analysis on the Institute gender pay gap figures is provided below.

Equal pay deals with the pay differences between men and women who carry out the same roles, similar jobs, or work of equal value. The Institute strives to ensure that our rates of pay ensure equality for both men and women carrying out work of equal value.

Proportion of males and females in each pay quartile

We can better understand the gender pay gap when we analyse all male and female roles across the Institute and divide them into four pay bands. The lowest rates of pay are in the first quartile and the highest in the fourth quartile.

2022

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 14% | 8% | 8% | 14% |
| Women | 86% | 92% | 92% | 86% |

For comparison purposes, the previous year's data is given below:

2021

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 6% | 17% | 2% | 13% |
| Women | 94% | 83% | 98% | 87% |

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2020

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 3% | 21% | 5% | 15% |
| Women | 97% | 79% | 95% | 85% |

2019

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 13% | 10% | 10% | 11% |
| Women | 87% | 90% | 90% | 89% |

2018

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 8% | 12% | 16% | 14% |
| Women | 92% | 88% | 84% | 86% |

2017

| | First Quartile | Second Quartile | Third Quartile | Fourth Quartile |
|-------|----------------|-----------------|----------------|-----------------|
| Men | 8% | 8% | 15% | 19% |
| Women | 92% | 92% | 85% | 81% |

The 2022 pay quartiles continue to show a very high proportion of female staff across the full pay range (including in the third and fourth quartile/highest paid). There has been a 1% decrease in the number of female staff in the highest quartile/highest paid (with a corresponding 1% increase in the number of men in the highest quartile). The second quartile shows an 9% increase in the number of women compared to the 2021 data. It is notable that the number of men employed in the first quartile/lowest paid increased by 8% since 2021.

Although we have seen a 0.1% decrease in the number of men employed (11% of the workforce), this remains a small proportion of the Institutes staff. Such small changes to this group of staff can make a noticeable statistical difference to the overall pay gap figures.

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While the median and mean gender pay calculations show slightly different results, the gaps (both positive and negative) have noticeably reduced from last year. This change is supported by the increased number of male staff in the lowest quartile which has more than doubled since last year and a higher number of female staff in the second quartile. On the reporting date, most male staff are either in the lowest or highest quartiles in the pay scales. Overall, this accounts for the mean figure favouring men (from a small sample size) and the median figure influenced by a large proportion of female staff occupying higher paid teaching, supervisory and management roles.

Although the figures show both a very small positive and negative gender pay gap, we are very pleased this gap has reduced again. Taken with previous years' data, our continuing commitment to work towards further pay equality is being demonstrated. It is recognised that meeting a zero mean and median gender pay gap is a very challenging target when many variables make a noticeable statistical difference in a relatively small workforce.

Our reported median pay gap of -0.08% (where on average women get paid more than men) and our mean positive pay gap of 1.07% (where on average men get paid more than women) sits in comparison to the national gender pay gap figures where in April 2022 among full time staff the gap was 8.3%, for part time staff it was -2.8% and among all employees it was 14.9%. In the 'caring, leisure and other service occupations' the 2022 pay gap was 16%.*

Commitment to equality and good employment

We set out below some of the strategies we are using to achieve our aims.

The Institute continues to carefully monitor its remuneration, carefully looking at market rates, cost of living increases, affordability and focusing on roles which may be undervalued to ensure we strive for greater pay equality.

Career development opportunities are available to all staff irrespective of whether they work full time or part time. Similarly, the Institute reiterates its commitment to encouraging employees to take advantage of the many opportunities to undertake professional development, which is available at all levels and in all roles. Where possible, training is offered at different times including during working time to meet the needs of part time staff alongside a blended learning approach to widen further participation.

Where business needs allow, the Institute supports all staff to have a better work life balance by supporting various flexible work patterns, job sharing opportunities and shared parental leave.

The Institute offers many senior roles on a part time or condensed hours basis. We continue to monitor our recruitment processes to further reduce the possibility of unconscious bias and support fair opportunities. We require recruiting managers to analyse all new roles to help ensure that good job design and equitable reward is considered at the earliest stage of the recruitment process. We provide clear rates of pay to all job candidates.

We remain committed to removing any unnecessary barriers in our desire to be a fair employer, rewarding staff irrespective of gender or identity.

*<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/202>

SAFEGUARDING

Institute Safeguarding Policy Statement

The Institute of Our Lady of Mercy is committed to the national safeguarding policies of the Catholic Church in England and Wales, to take all reasonable steps to protect all who are vulnerable from any form of abuse and to promote a safe environment for them.

This commitment flows from the fact that we are all made in the image and likeness of God and the Church's common belief in the dignity and uniqueness of every human life. We start from the principle that each child, young person and adult at risk has a right to expect the highest level of care and protection, love, encouragement and respect that we can give.

The Institute will liaise closely and openly with statutory agencies to ensure that any concerns or allegations of abuse are promptly reported and appropriately dealt with, victims supported and perpetrators held to account.

Our expectation is that this statement will be accepted and upheld by our Sisters and Associates, Staff, Volunteers and all who work for and with us in the Institute and also those who use our premises.

Safeguarding update

As part of the Roman Catholic Church in England and Wales, the Institute of Our Lady of Mercy upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members. This is reflected in the Institute's affirmation of the 'One Church' approach to safeguarding children, young people and adults who may be at risk. The 'One Church' approach refers to the commitment by members of the Church to adhere to the same national safeguarding policies and procedures of the Catholic Church in England and Wales.

Following the Elliott Review of Safeguarding Structures in the Catholic Church and the Independent Inquiry into Child Sex Abuse (IICSA) a number of recommendations were made that involved the Church and the Religious Orders facing major changes. The Institute of Our Lady of Mercy has been a member of the Religious Life Safeguarding Service (RLSS) since it became established in 2021 and benefits from all the support and training on offer. The Institute is also a member of the Catholic Safeguarding Standards Agency (CSSA) and complies with the standards set by this body. The Institute employs a Safeguarding Lead and has a Safeguarding Trustee Sub-Committee, which includes two of the Institute Trustees and a number of lay advisors. The Sub-Committee takes legal advice from Lupton Fawcett LLP on safeguarding matters as and when required.

The Institute has measures in place to ensure that all employees and volunteers (which includes Sisters) have DBS clearance as required by their roles.

RELATED PARTIES

The Charity works closely with the following charitable organisations, having been involved in their formation:

[Mercy Great Britain CIO \(Registered Charity No.1154195\)](#)

Mercy Great Britain CIO raises funds for the Mercy International Association. The Mercy International Centre, based at the original Convent of Mercy in Baggot Street, Dublin, is the focal point for all Sisters of Mercy throughout the world.

As stated previously, Sister Colette Cronin is a member of the Mercy International Association by virtue of being the Institute Leader.

No funds were donated to the charity in 2022 (2021: £nil).

[Women@TheWell \(W@W, Registered Charity No. 1118613\)](#)

The Women@TheWell Charity was established by the Institute of Our Lady of Mercy in 2006. The charity provides services to vulnerable women trapped in multiple cycles of abuse and social exclusion. Services are provided for women by women in a supportive environment with the goals of diverting them from the criminal justice system and working towards meaningful and rewarding social participation.

The Institute of Our Lady of Mercy has the right to appoint two Trustees of Women@TheWell. Sr Bernadette Holmes, Trustee, was also appointed as Trustee for Women@TheWell in January 2022. Further members of the Institute served as Trustees for Women@TheWell during 2022: Sr Catherine Heron; Sr Esther Boles (retired in November 2022) and Sr Susan Browne (appointed in November 2022). Sr Lynda Dearlove (a member of the Institute of Our Lady of Mercy) gave notice of her resignation from her post of CEO of Women@TheWell shortly after being elected to stand as Trustee of the Institute of Our Lady of Mercy at the 2023 Chapter. She is due to be appointed as Trustee of the Institute of Our Lady of Mercy in September 2023. Two members of the Congregation were active volunteers at Women@TheWell in 2022.

Women@TheWell leases two floors of a property from the Institute of Our Lady of Mercy in Kings Cross London at a peppercorn rent. The Institute donated £200,000 to the charity in 2022 (2021: £180,000).

[Institute of Our Lady of Mercy CIO \(Registered Charity No. 1201690\)](#)

As detailed previously in the report, the Institute of Our Lady of Mercy has registered a new Charitable Incorporated Organisation (CIO), which currently lies dormant. It is the intention to transfer the assets and liabilities of the Institute of Our Lady of Mercy Charitable Trust to the CIO by no later than 1 January 2024. The Trustees of the CIO fully replicate the Trustees of the Charitable Trust.

Institute of Our Lady of Mercy

OBJECTIVES AIMS AND ACTIVITIES

The Charity's principal objects are set out in its Trust Deed and are the advancement of religion and other charitable work under the direction of the Institute including, in particular the relief of poverty, the advancement of the Roman Catholic Religion, the advancement of education and the nursing of the sick poor in England and Wales or anywhere in the world; or which are carried on by a charity having similar charitable objects.

The work of the Sisters of Mercy in relieving poverty, nursing the sick and advancing education and religious studies is inspired by the Foundress, Catherine McAuley. Under the direction of the Institute's Trustees this work is carried on by individual Sisters acting within parish communities, in schools, care homes and in the wider community.

The Trustees, members and staff continue to examine ways of fulfilling the Trust's objects in the face of the continuing challenges of the increasing age profile and the decline in the number of Sisters. A programme of rationalising property holdings continues, to ensure that property is used as efficiently as possible. Where appropriate, property is leased to other charitable organisations which have similar aims.

Public Benefit

The Trustees confirm that they have complied with their duty under section 17(5) of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit.

The Trustees have referred to the Charity Commission's guidance on public benefit and in particular to its supplementary guidance on the advancement of religion both when reviewing the Charity's objectives and in planning future activities. On pages 20 to 57 of this report, details of the many and varied activities carried out and supported by the Charity have been set out. In each case it is possible to see the public benefit that is delivered by the Charity. In summary, the Charity provides public benefit in the following ways:

- by the provision of education to young people at Mercy schools and in Voluntary Aided and independent schools and academies that operate on sites provided by the Charity.
- through the provision of care to the sick and frail at the Charity's two care homes and at the Congregation's communities with care.
- through the sheltered accommodation provided by the Charity.
- by the thousands of hours of pastoral work carried out by the Sisters in parishes and with other charitable organisations; and
- through the support that the Charity provides, in the form of donations and the provision of premises, to other charities at concessionary rates.

STRATEGIC REPORT

Change in Legal Structure January 2024

The Ninth General Chapter recently approved the transfer of all assets and liabilities of the Institute of Our Lady of Mercy Charitable Trust to a new charitable incorporated organization: Institute of Our Lady of Mercy CIO (Registered Charity No. 1201690) with effect from 1 January 2024. Trustees and staff will now work with our external legal advisors to facilitate the necessary changes.

The COVID-19 Pandemic

As detailed in the 2021 Annual Report, the Institute, along with wider Society, has had to move towards living with COVID-19. The Institute's Care Homes and Communities with Care have been affected by restrictions on activity due to local outbreaks of COVID-19. This reduced the Institute's ability to welcome new residents who needed care and reduced the associated income to fund our ministry. This contrasts with our continued investment in the care estate ensuring our homes remain well-resourced and welcoming places for our residents and families.

During 2022 consideration has also been given to retaining the appropriate levels of staff support including Covid-19 sick pay and working to ensure that our approach is proportionate to the reducing risk from staff absence alongside valuing our committed staff.

Simplification of Activities

The Trustees continue to rationalise and streamline activities so that the Institute's affairs can be more easily managed.

Employee Numbers – Impact on Legal Requirements

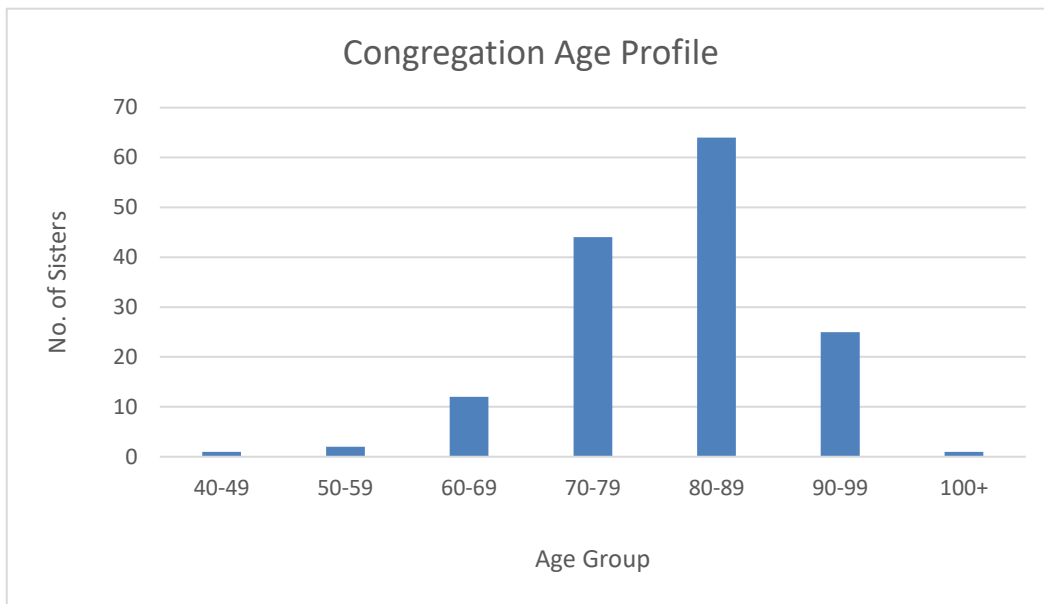
As at December 2022, the Institute had 244 employees. Organisations with the number of employees over a threshold level of 250, face a higher burden of compliance and reporting. The Institute will be freed from some of these going forward:

- The Institute has (to date) complied with the requirements of the Energy Savings Opportunity Scheme (ESOS). However, it now no longer needs to report on these measures, which will reduce costs and an administrative burden.
- The Institute will no longer be required by law to calculate and publish a gender pay gap statement. The one contained in this report is the last one that will be published.

Institute of Our Lady of Mercy

Congregational Needs

The needs of the congregation and the increasing congregational age profile is a priority for Trustees. At the end of 2022, the mean Congregation Member age is 81. Approximately 40% of the Congregation is in receipt of formal care. It is anticipated that the numbers requiring care will increase during the next five to ten years, before the number decreases, as the congregation inevitably becomes smaller.



As detailed previously, the Trustees reviewed the management structure of their Communities with Care and in 2022 appointed Community with Care Managers and Administrators in three of their Communities with Care. The Institute continues to support these communities and staff as they embed the changes and adapt to the new structure.

Following the resignation of the Doncaster Community with Care Manager in September 2022, a review of the changing care needs of the Doncaster Sisters resulted in the decision to move several Sisters temporarily to other care facilities in the Institute. A fire safety inspection report in early 2023 highlighted additional work was required to ensure the property met the required H&S standards. As this work required significant investment it was with regret, the Trustees made the very difficult decision to close the site. Staff redundancies became necessary and the remaining Sisters have moved to new locations.

Trustees also appointed an Administrator in Bermondsey and an Administrator in St Philomena's Derby to assist the Sisters with administration and maintenance.

The Institute purchased a property in Brentwood, Essex, in 2022 to re-house and increase the capacity of the Community with Care in the South (currently in Wanstead, London). The Brentwood property is currently being refurbished to provide appropriate accommodation to meet the needs of the Community.

Institute of Our Lady of Mercy

Property Rationalisation

The rationalisation of activities undertaken and property holdings continues. Where possible, the Institute seeks to utilise property for charitable purposes. However, much of the Estate is made up of older buildings. Public facing charities often prefer properties that are energy efficient and compliant with modern accessibility requirements.

The following properties were sold in 2022:

- Filey – former Convent
- High Heaton, Newcastle-upon-Tyne – former Convent
- North Shields – former Convent

Two sites ceased to be utilised as Convents in 2022:

- The convent in York was vacated in August 2022, and placed on the market.
- The convent in Frinton-on-Sea was vacated in November 2022 and this house was subsequently placed on the market.
- The Convent with Care facility at Doncaster was closed in December 2022, although a small number of Sisters remained at the end of the year. The Institute are currently considering proposals in relation to the use of this site.

At the time of going to press the following properties have been sold in 2023:

- York – former Convent
- Newcastle Deaf Centre has been sold to the St Vincent de Paul Society (who have leased this building for some time).

A number of properties are on the market or being prepared for disposal in 2023.

Financial Administration

As detailed in previous reports, Trustees approved the development of a system which allowed for the Institute's financial management processes to be streamlined, working with Sagars Accountants Limited. In 2022, the migration to the new system was completed, with all detail transactions fully encapsulated within it. The new accounting system allows backup documentation to be attached to individual transactions electronically. It has improved the Institute's ability to produce consolidated reports to monitor and oversee its finances. Banking arrangements for Communities have also been streamlined, with almost all Community-related transactions now being conducted through a common bank account which is managed centrally. Over the course of 2022, the Institute closed a significant number of site-specific (and activity-specific) bank accounts. These changes have reduced the overall complexity of accounting for the Institute and the auditing of its records. They also ensure that the process of transitioning to the new CIO structure will be much less complex.

Institute of Our Lady of Mercy

IT Developments

The IT infrastructure continues to be upgraded throughout the Institute with new hardware and software being deployed on a rolling programme of renewal. Institute Registered Care Homes benefitted from the introduction of new care planning and medication management in early 2022. Working closely with our IT advisors, the Institute ensures that its use of IT remains fit for purpose (including high speed internet connections). The IT and video conference investment made by the Institute during the pandemic has proved its worth and continues to allow Trustees, Sisters and staff to meet virtually rather than in person – reducing travel time, costs, and the environmental impact. This has been very apparent in the preparations for Chapter.

Change of Legal Advisors

The Institute of Our Lady of Mercy followed a due diligence process to choose new legal advisors following the decision of IBB Law LLP not to have a dedicated Charity Lawyer going forward. Lupton Fawcett LLP were appointed to fulfil this role early in 2022. IBB Law LLP continue to finalise a small number of matters that were in progress prior to the appointment of Lupton Fawcett. The Institute have also utilized the services of Stone King LLP, who have assisted in the facilitation of consultation with the wider community regarding the decision to convert from a Charitable Trust to a CIO in addition to on-going discussions surrounding whether a second CIO should be set up for Mercy Ministries. (This is in its infancy – please refer to page 58).

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THE ADVANCEMENT OF EDUCATION

The Institute of Our Lady of Mercy is involved in education in a number of ways, particularly contributing their experience on school governing bodies. The Institute owned, managed and financed one Convent school in Burnley in 2022. The Institute also acts as Trustees of two Voluntary Aided schools in the Archdiocese of Liverpool. Increasingly, the Institute's involvement lies in making available school premises and equipment to other Catholic educational bodies on concessionary terms. The Trustees see the use of these properties for Catholic education as a significant contribution to the local community and an effective way of pursuing the advancement of education.

The Mercy Education Group is committed to the full development and the achievement of the potential of each person, particularly those who are disadvantaged or marginalised, conducted in an atmosphere of care, respect and joy. The group will continue to find ways to encourage and support the Ethos in the Mercy Schools, where they have formed relationships to promote the legacy of Catherine McAuley.

In 2022, a new initiative called 'Opening Doors' was established by the Board of Mercy International Association. A Sister from New Zealand, Sister Denise Fox, was appointed to liaise with Mercy Groups worldwide and to establish networks. Sister Denise has spoken with a number of Staff members of our Schools and is helping them to forge connections nationally and internationally.

[Mercy Schools](#)

Pages 25 to 30 show the location of schools which were originally founded by Sisters of Mercy, where the freehold of the site continues to be owned by the Institute in England.

“Educators pass on their knowledge and value with their words; but their words will have an incisive effect on children and young people if they are accompanied by their witness and their consistent way of life”

Pope Francis

Institute of Our Lady of Mercy

St Joseph's Park Hill School, Burnley

In 2022, the Institute owned, managed and financed one Convent school at Burnley. Sr. Joan Breen and Sr. Colette Cronin act as Governors for St Joseph's Park Hill School.

St Joseph's Park Hill School was inspected in 2022 by the Independent Schools Inspectorate (ISI) and was found to be excellent in all areas.

The Headteacher, Mrs Whitehead said: "I am thrilled that the inspection confirms what we already know about our school - it is excellent in all areas. I am tremendously proud of the children and the staff."

Inspectors said the quality of the pupils' academic and other achievements was excellent with students making progress in all areas and displaying great knowledge, skills and understanding across the curriculum.

Pupils were also praised for their extremely positive attitudes to learning and for responding to challenges with commitment and enthusiasm. The school was also praised for the quality of pupils' personal development, spiritual understanding, appreciation of non-material aspects of life and ability to accept responsibility for their own behaviour and show respect for cultures different to their own.

Inspectors also concluded that the pupils' high levels of success are well supported by the quality of teaching they receive and through planning which builds on highly effective assessment and provides targeted support.



Happy pupils of St Joseph's School following their excellent report

Institute of Our Lady of Mercy

In addition to their inspection success, St Joseph's School was also awarded 'Primary School of the Year 2022' in the East Lancashire Education Awards.



*Left: Yusuf winning Young Scientist/ Engineer at the East Lancashire Education Awards
Right: Mrs Whitehead collecting the Primary School of the Year Award*

The staff, children and parents are proud of their fundraising for good causes in the community. These include a sizeable donation of £1,314.59 to Pendleside Hospice. The children held a cake sale for the Pakistan Floods Appeal and raised £350. £1,350 was sent to the CAFOD Walk against Hunger Easter appeal. Read for Good was supported with £760 for books for sick children in hospitals; and a sponsored walk for a school in Ethiopia. The children held another cake sale to send £226 to the CAFOD appeal for Ukrainian children. The school sent their harvest food collection to the Burnley Foodbank and the School Council provided a regular collection of food for this important local charity. Each year the school supports the Royal British Legion and this year sent £185 for the Poppy Appeal. These activities demonstrate just how caring and generous the staff, children and families are.

Innovations over the past year have been the introduction of Forest School timetabled lessons for all children and the introduction of a school e-magazine. The school has also invested more in pastoral care and they have a Mental Health First Aider for children who helps pupils deal with issues and anxieties which seem to have become more prevalent since the pandemic.



The new outdoor classroom being built

Institute of Our Lady of Mercy

Pupils have had much success in national examinations: Lamda for drama; ESB and Poetry Vanguard for English; and in the Independent Schools Association Art competitions.

Music is also a key strength and pupils have taken part in several huge choral events such as Young Voices where they sang with 8000 other children at the Manchester Arena; Let's Go Sing at King George's Hall; and Inspire with the Lancashire Music service.

In sport, the school retained the prestigious National Platinum School Games Award which celebrates commitment to the physical development of pupils who enjoy many opportunities to develop their sports skills and compete both with local schools and within the independent schools' sector.



The new school PE kit

St Joseph's pupils continue to enjoy academic success with many gaining places at selective grammar schools and winning scholarships to local Independent secondary schools.

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Voluntary Aided or Academy Schools leased to the local Dioceses

These schools now fall within the state sector and continue to flourish as Grant-Aided Roman Catholic schools run by Local Education Authorities or as Academy Trusts. In most of these cases, leases have been granted to the local Roman Catholic Dioceses who maintain the property and ensure that it is used as a Catholic school.

The Institute's Financial Statements do not include any value for Voluntary Aided or Academy schools leased to the local dioceses as the value represented by these sites is not realisable by the Institute for so long as they continue to be used by the schools in question.

| Name | Lessee |
|--|--|
| St Paul's RCVA School, Alnwick | Diocese of Hexham & Newcastle |
| St Joseph's Catholic Primary, Bermondsey | The Trustees of the RC Diocese of Southwark |
| St John Fisher Catholic Voluntary Academy, Alvaston, Derby | St John Fisher Catholic Academy Trust |
| The McAuley Catholic High School, Doncaster | The Trustees of the Diocese of Hallam |
| St Mary's Catholic Primary School, Eltham, London SE9 | The Trustees of the RC Diocese of Southwark |
| St Mary's College, Hull | The Trustees of the Diocese of Middlesbrough |
| Endsleigh Holy Child Voluntary Catholic Academy, Hull (Part of St Cuthbert's Roman Catholic Academy Trust). | The Trustees of the Diocese of Middlesbrough |
| St Mary's Catholic Primary School, Whitstable (Part of Kent Catholic Schools Partnership (a Multi-Academy Trust)). | The Trustees of the RC Diocese of Southwark |

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Voluntary Aided Schools retained by the Institute of Our Lady of Mercy

Direct ownership of the sites of these schools and the Trusteeship of the schools continues to be retained by the Institute. However, the Trustees are currently in consultation with the Archdiocese of Liverpool concerning the potential transfer of the trusteeship and land of both Schools to the Archdiocese. This followed an invitation by the Archdiocese of Liverpool in 2021 for all the Catholic Schools in the Archdiocese to be part of a Catholic Multi-Academy Trust (CMAT) with the consent of the Governors and Trustees of the Voluntary Aided Schools. Discussions are ongoing with all Schools involved but no decision has yet been made regarding the above Schools (with the Trustees leaving this decision with the Governing Bodies). Preliminary meetings with those from the Archdiocese of Liverpool have been positive and productive. There have also been meetings with the Head Teachers from both schools to share the anticipated transfers with them.

Both Schools were rated Good by Ofsted in 2022. Sr Colette Cronin serves as a governor of Broughton Hall Catholic High School.

There is a grant received from the Department for Education and Skills for building works at the respective schools. See note 14 for further details of these grants.

| Name | Responsible Authority |
|---|-------------------------------------|
| Broughton Hall Catholic High School, West Derby, Liverpool | Liverpool Local Education Authority |
| Maricourt Catholic High School, Maghull, Liverpool | Sefton Local Education Authority |

Private Fee-Paying Schools in buildings owned by the Institute of Our Lady of Mercy

There are a number of instances where parents have formed bodies to take over the running of former independent Convent schools on the understanding that the Roman Catholic ethos will be maintained.

| Name | Responsible Authority/Lessee |
|--|--|
| Our Lady's School Abingdon, Oxfordshire | Leased to Our Lady's Abingdon Trustees Ltd |
| St Mary's Hare Park School, Gidea Park, Essex | Leased to St Mary's Hare Park School |
| St Philomena's School, Frinton-on-Sea, Essex | Leased to St Philomena's School Ltd |
| Mylnhurst Catholic Preparatory School & Nursery, Ecclesall, Sheffield | Leased to Mylnhurst Ltd and Mylnhurst Sports Education and Leisure |

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Other Property Utilised by Schools

| Name | Property |
|-----------------------------------|-------------------------|
| St Thomas More School, Colchester | Former Convent Building |

Other Involvement in Education

Many members of the Congregation have worked as teachers within Roman Catholic schools in their career and hold a great interest in education. There are currently three Sisters who work directly in school settings. As at the end of 2022, Sisters recorded active volunteering in education settings totaling 937 hours (equivalent to 0.6 FTE). Seven Sisters act as school governors for seven individual schools.

Bermondsey Heritage Centre and Archives

Bermondsey was the first foundation of Sisters of Mercy in England. In 1839, Catherine McAuley brought a small group of newly trained Sisters from Ireland to work alongside a small group of lay women who were assisting in the running of a school and caring for the poor of the area. Many Mercy Foundations were made from this site and a Heritage Centre was developed on site in 2005. Under usual circumstances, this receives many visitors from around the world.

The Institute Archives have been based in Bermondsey since 1984 and continue to be added to over the years. Archival material is still collected, with Communities encouraged to send in their annals each year. Photographs and plans of our buildings are also collected and where a house is closed, attempts are made to preserve the history of the building and the local ministry of the Sisters. A new Archivist was appointed in January 2023.

The Institute continues to forge strong links with other Mercy Archivists working in this country: the Archivist from the Union of the Sisters of Mercy GB in Birmingham and those who work in several Federation Convents of Mercy in Sunderland, Gravesend and Midhurst. There are also close links with the Archivist in Mercy International Centre in Dublin, Ireland.

Durham University Bursary

Advancing the Roman Catholic religion and education, the Institute supports the Catherine McAuley Scholarships at the Centre for Catholic Studies at Durham University. £20,000 has been awarded in 2022. The Centre continues to honour the McAuley Charism and enables talented students to pursue Master and Doctoral programmes. A Sister represents the Trustees on the Board for the selection of the scholarship students and the Trustees often attend the annual meeting in Durham, when students report on their research. The Institute's sponsorship supports a mix of full and part-time students studying both MA and PhD programmes. Recipients come from a wide variety of backgrounds, being chosen because of their ability, potential and need of financial assistance.

Bailiffgate Museum, Alnwick

The Institute makes available certain rooms at a nominal rent for the benefit of the Bailiffgate Museum in Alnwick.

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CARE OF THE SICK, SUPPORT FOR THE POOR

The provision of care remains the largest part of the Institute's charitable activities with the largest number of direct beneficiaries.

The Institute is committed to ensuring high quality care in an environment where each person's dignity is esteemed and valued and where individuality and privacy are respected. The Institute seeks to achieve this aim by promoting the ethos and values gifted by our Foundress, Venerable Catherine McAuley.

The Charity owns and operates two Registered Care Homes and three 'Communities with Care'. The Communities with Care provide accommodation and care to meet a range of needs to support retired, elderly and frail members of the Institute.

Care Management Structure

The Care Management Group ensures the Institute meets its legal obligation to run safe, effective, caring, responsive and well led homes.

Care Home Managers, Community with Care Managers and the Care Co-ordinator are supported and managed by the Institute's Business Manager on behalf of the Trustees. They are also closely supported by the lead Trustee for Care and other Trustees. The Business Manager is also the link for the independent consultants, who coach Care Home Managers with a variety of operational matters, supporting them through any difficulties.

Independent Care Consultant

The independent Care Consultant assists senior leaders with the provision of care home consultancy services including quality management, interim management, regulatory compliance, training and provides an independent auditing perspective. She similarly supports Communities with Care with regular site clinical support visits and quality reports. The Care Consultant is also the Institute's Nominated Individual with the Care Quality Commission ("CQC") and is responsible for reviewing clinical and operational policies ensuring compliance with CQC regulations and best practice.

Trustees, Care Home Managers and Care Coordinator/Community with Care Managers use the internal quality assurance audits (including Regulation 17 Reports) to identify strengths and areas for further service development.

Independent Care Business Consultant

The independent Care Business Consultant supports the senior management team with day-to-day business issues in the homes.

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Care Management Meetings

The Institute's Care Management Group officially meets four or five times a year. Attendees include Care Home Managers, Communities with Care Managers, the Business Manager, the HR Co-ordinator, Trustees who link with Communities with Care, the lead Trustees for Care and the independent consultants.

Following the experience of remote meetings during the pandemic, this group continues to make the best use of technology with video conferencing for many of its meetings with occasional face to face events. These meetings remain instrumental in maintaining the support to managers and provide valuable opportunities for the whole care management team to come together to share best practice, explore commonly experienced issues and receive continuing professional development.

Care Home Visits

Trustees and senior managers maintain a programme of Care Home visits. Their attendance at staff, resident and families' meetings allows for constructive two-way conversations and improves the knowledge and understanding of care home operations while increasing transparency amongst these key beneficiaries.

Registered Care Homes

As detailed in previous annual reports both of the Institute's registered Care Homes have successfully completed the CQC infection control and prevention remote inspection. Both homes were rated as 'Good' in all areas at their last inspections by the Care Quality Commission (CQC) between 2017 and 2018.

The CQC suspended their routine inspection programme in March 2020 in response to Covid-19 and have explained they do not intend to resume it for the immediate future. The CQC have continued to use a mix of onsite and off-site monitoring to ensure the public have assurance as to the safety and quality of the care they receive. As we emerge from the pandemic CQC are further developing their monitoring approach. In accordance with this approach the CQC carry out monthly reviews of the data available to them about both our registered homes: McAuley Mount Residential Care Home and Mercy Care Centre.

Reports from each of the Care Homes (in their own words) are given on pages 35 – 40.

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Communities with Care

Following the move to new structures for Communities with Care in 2021, the Institute continues to evolve the necessary practical and pastoral support for Sisters and staff as they adjust to the decrease in the number of Sisters able to take responsibility for managing such Communities. Two of the three Communities with Care now have a lay Manager, assisted by an Administrator, Care and Ancillary Staff. This takes some burden of administration from Community Members and ensures that these Communities can function into the future.

Following the resignation of the Doncaster Community with Care Manager in September 2022, a review of the changing care needs of the Doncaster Sisters resulted in the decision to move several sisters temporarily to other care facilities in the Institute. A fire safety inspection report in early 2023 highlighted additional work was required to ensure the property met the required H&S standards. As this work required significant investment it was with regret, the Trustees made the very difficult decision to close the Convent. The remaining Sisters moved to new locations and staff redundancies then became necessary.

In March 2022, the Institute purchased an additional site to be used as a Community with Care in Brentwood, Essex. The property will be undergoing a scheme of refurbishment during 2023 in order that it can house and increase the capacity of the current Community with Care in the South.

Sheltered Accommodation

The Institute owns a sheltered accommodation scheme in Derby, comprising 22 flats. This scheme is now managed by 'Johnnie Johnson' Housing Trust on behalf of the Institute.

St Anne's Court, Newcastle upon Tyne is let on a long lease to the Trustees of the 'Orders of St John Care Trust'. The Trustees of the Order of St John Care Trust wish to dispose of this property and the Institute is working with them to come to an agreement on this.

| Name | Responsible Authority |
|--|----------------------------------|
| Catherine McAuley Flats Derby, Derbyshire | 'Johnnie Johnson' Housing Trust |
| St Anne's Court Newcastle upon Tyne | The Orders of St John Care Trust |

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Other Involvement in Care

Historically, many of the Congregation have worked within the nursing profession and many have dedicated their lives to caring for others. As at the end of 2022, Sisters recorded active volunteering in the 'Nursing of the Sick Poor & Sheltered Accommodation' totaling 4,728 hours (equivalent to 2.8 FTE). Please refer to the table on page 43.

The Convent at Hornsea is used as a centre for holidays, retreats, rest or respite.

As in other areas of Ministry, the Institute leases properties to external organisations in order to further its Objectives of Nursing the Sick and Disabled:

| Organisation and Location | Description |
|---|---|
| Zoe's Place Crossbeck, Normanby | Offers respite and palliative terminal care to babies and support to their parents. |
| Rainbows Bereavement Support GB Liverpool | Provides support to children to grieve and grow after loss. |
| Zoe's Place, Liverpool | Offers respite and palliative terminal care to babies and support to their parents. |
| St Cuthbert's Care, Alnwick * | Works with the most disadvantaged, poor, vulnerable or dispossessed in society. |

* *St Cuthbert's Care returned this property to the Institute in November 2022 as it moved to alternative premises. The Institute intends to dispose of this site.*

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McAuley Mount Residential Care Home, Burnley

2022 started as 2021 ended; with restrictions in place due to Covid outbreaks. The McAuley Mount 'Bubble' found new ways to laugh and have fun!

In January, we had a big party to celebrate our amazing Sister Stan turning 100! She received a special delivery of a card from the Queen and school children sang to her outside. It was a truly wonderful day that will be remembered by all who were there.



As each month passed, restrictions started to ease, and it was wonderful to see McAuley Mount coming to life again, welcoming more visitors.



At McAuley Mount we love a good party, and we have discovered that Covid can't stop us having cake! Here are just some of the amazing Birthday cakes that have been made by our very talented kitchen staff and enjoyed by all.



Institute of Our Lady of Mercy

We celebrated numerous Birthdays, an 80th Jubilee as well as inviting the animal safari to visit (which is loved by all).



Father Vincent's face said it all, I think he was more than happy with the thought put into baking his football themed cake.

Services for Holy Week
 Monday 11th
 10am Service & Holy Communion in Chapel
 Tuesday 12th
 10am Holy Communion Service
 3.30pm Reflection in Chapel
 Wednesday 13th
 11am Mass
 1pm The Passion of Christ: Mel Gibson – conservatory
 Holy Thursday
 3.30pm Mass of The Last Supper in Chapel
 Good Friday
 3pm Service in Chapel
 Holy Saturday
 11am Reflection in Chapel
 Easter Sunday
 11am Easter Sunday Mass

Holy week is very important to us here at McAuley Mount and we are extremely fortunate to have the support of Sister Catherine Ryan who arranges and facilitates so many religious and spiritual activities for our wonderful residents. We also enjoyed fun games, films and some fabulous food and drink.



We also celebrated Random acts of kindness day by giving unexpected gifts and kind words to all, pancake day was a day to remember with lots of yummy pancakes with a variety of toppings.

Mother's Day, a retirement and the Queen's Birthday were also celebrated in McAuley Mount style. Any excuse for a party!

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RSPB Birdwatch is a popular activity enjoyed by both resident's and staff, we are lucky to be surrounded by lots of birds and wildlife in our gorgeous grounds.

As the weather got warmer our residents enjoyed getting outside into the lovely sunshine and getting their hands dirty by planting some gorgeous plants and flowers.

We grew sunflowers to show our support to the Ukraine.



Along with the rest of the country we were very excited to celebrate the Queen's jubilee, we organised a party and sent an invitation to the Queen herself!



Dear Queen Elizabeth
 Congratulations
 & A Happy Jubilee
 Love From All at
 McAuley Mount Care Home
 Burnley
 xxx
 Sarah Morgan



You And Two Guests Are Invited
 to A Garden Party
 Here At McAuley Mount
 To Celebrate
 The Queens Platinum Jubilee
 To Be Held on Thursday 2nd June at 2pm
 (Weather Permitting)
 Please complete the tear of slip with the
 number of guests you have attending
 by the 20th of May Thank you

.....

Name

Number of guests.....

More Places May Become Available Nearer the Time please
 inform Denise or Andrea if you would like to invite more guests

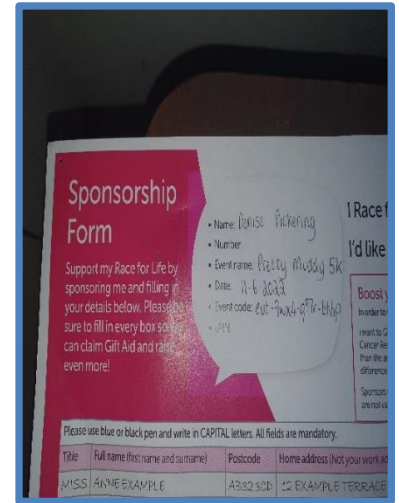
Institute of Our Lady of Mercy



We enjoy learning new things and Phyllis showed us age is no barrier to learning a new skill. At 94 years young Phyllis learnt the art of book folding! Looks amazing and so much fun!

Staff and visitors at McAuley Mount are amazing and go above and beyond to help those in need. Two of our amazing team Sister Catherine

Ryan (because she clearly doesn't do enough already) and Denise Pickering have both been raising money for causes close to their heart. Sister Catherine Ryan raised over a £1000 for the Ukraine and Denise has already raised £400 and counting for cancer. How amazing they both are! A real inspiration for us all at McAuley Mount. Staff have been very generous with their sponsors.



As Christmas approached, we enjoyed lots of festive and spiritual activities, such as decorating the tree with mulled wine and mince pies (although the tree decorating didn't go down as well as the mulled wine and mince pies), Blessing of the advent, Jesse tree symbols, Christmas card and cake making, Christmas party, four candles meditation, Lancashire sings Christmas, Blessing and setting up of the crib, games, and arts and crafts. On Christmas day we had a special visit from Father Christmas and his elf, who helped make some magical Christmas memories for our residents and staff.



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Mercy Care Centre, Derby

The past year has once again been busy at Mercy Care Centre, with new residents arriving and some leaving us for the last time. The Care team continually strive to meet the changing needs of our residents.

Throughout the summer of 2022 residents enjoyed fortnightly entertainment outside (weather permitting). This ensured residents were able to see live performances and joined in with the many different entertainers that visited us.



Gardening club became popular, and residents grew an assortment of vegetables and herbs.



As autumn arrived, the Centre once again had their annual pumpkin carving competition, as well as many indoor games. Giant Jenga is always very competitive.

The home invited families and friends to join them for bonfire night, with celebrations in the carpark, accompanied by toffee apples, parkin, brownies, mulled wine and hot chocolate. The fireworks were spectacular.

Zoo lab visited the Centre in November, and residents were able to hold small animals, many of whom were not as sweet looking as the one in this picture.



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In December the staff held a formal evening dinner for the residents in Mount Carmel. Residents had a five-course meal, followed by an evening of entertainments including acts performed by the residents themselves and the staff. The event was hugely successful and will be repeated later in the year.

The home had a visit from the pantomime and the staff performed the annual nativity play in December.



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ADVANCEMENT OF RELIGION AND OTHER CHARITABLE WORK

The Institute of Our Lady of Mercy contributes, by the work of individual Sisters, to both religious and wider education in schools; they work with a wide range of people including young offenders, refugees, the homeless, young people, people with disabilities, the elderly and prisoners. Many Sisters of the Institute are active in local parishes in the religious education of both adults and children. In particular, the Sisters work in sacramental preparation and the Rite of Christian Initiation of Adults (RCIA), the formal religious education of adults who are exploring the possibility of joining the Catholic faith. The Sisters are also involved in retreat and prayer ministry, spiritual accompaniment and various types of counselling services. Some Sisters are trained to offer alternative therapies for the well-being of the whole person. Others provide valuable support in their local parishes by undertaking pastoral and social work. Often this work is done for little or no financial remuneration, thus contributing to the benefit of the general public.

Properties owned by the Institute are also leased to other charitable organisations for a variety of purposes at nil or concessionary rents:

| Property | Purpose |
|--|--|
| Alnwick, Northumberland: The Costello Centre | Used for community purposes. |
| Brentwood, Essex | Sion Catholic Community for Evangelisation |
| Derby, Bridge Gate | Women's Work |
| Eltham, London: The Haven Centre | Used for a variety of community purposes. |
| Kings Cross, London: Women@TheWell | Provides services to vulnerable women. |

The Institute also makes financial donations to many Charities who carry out work in line with their aims and objectives. Please refer to Page 44 and Note 10 on pages 80 and 81.

Congregational Activity

As stated previously, Members of the Congregation follow their own individual Apostolate and contribute to society in a number of different ways:

A number of Sisters work directly for the Congregation (for which they receive no remuneration).

Some Sisters conduct paid work outside of the Congregation in respect of which they receive a salary or are paid a stipend, which they then in turn covenant to the Charity.

Whilst many Sisters are retired, or are retiring from paid professions, a large proportion are active volunteers.

Collaboration with other organisations and charities operating in the same field has also been an important way in which the Sisters have sought to meet the needs of those it is seeking to help.

A list of some other organisations with which the Sisters work is set out on page 44.

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Social and Pastoral Work

- Administration and secretarial support to church organisations
- Advocacy and support for asylum seekers and refugees
- Authors of spiritual books
- Community social work with the homeless
- Counselling work in schools, bereavement and generic counselling
- Facilitation of groups and communities
- Nursing – palliative care, geriatric, psychiatric and theatre
- Working with Services for the Deaf
- Pastoral care – chaplaincy in schools and hospices
- Social Services work with children and young people
- Spiritual direction, retreat work and leading prayer groups
- Supervision of counsellors
- Supervision of Spiritual Directors
- Training carers for respite care
- Trusteeship
- Working with abused women
- Working in homecare services for the elderly, the housebound and those suffering from dementia
- Working in parishes, visiting, helping in Catechetical programmes, helping parishioners develop their spiritual lives.
- Working with Youth

However, despite the aging profile of the Congregation, Sisters have shown resilience and ingenuity and have recorded more than 23,424 hours of community service during 2022, (Please refer to the table on page 43).

VOLUNTARY WORK DONE BY SISTERS IN 2022

| | Annual Hours | FTE Equivalent |
|---|---------------|----------------|
| Institute of Our lady of Mercy | | |
| Community Leadership and Administration | 5,604 | 3.3 |
| Gardening | 611 | 0.4 |
| Hospitality | 1,272 | 0.8 |
| Other | 2,957 | 1.8 |
| Institute Volunteering | 10,444 | 6.3 |
| Advancement of Education | | |
| School Governance | 220 | 0.1 |
| School Volunteering | 447 | 0.3 |
| Adult Education | 240 | 0.1 |
| Other | 30 | - |
| Education Volunteering | 937 | 0.5 |
| Nursing of Sick Poor & Sheltered Accommodation | | |
| Counselling | 230 | 0.1 |
| Hospital / Care Home Visiting | 279 | 0.2 |
| Visitation | 2,581 | 1.5 |
| St Vincent dePaul Society (SVP) | 299 | 0.2 |
| Women @ The Well /drop in | 4 | - |
| Other | 1,335 | 0.8 |
| Nursing of Sick Poor Volunteering | 4,728 | 2.8 |
| Advancement of Religion | | |
| Catechesis / RCIA | 167 | 0.1 |
| Mercy Associates | 68 | - |
| Parish Music | 166 | 0.1 |
| Parish Work | 2,079 | 1.2 |
| Prison Visiting / Letter Writing | 25 | - |
| Retreats | 112 | 0.1 |
| Visitation | 563 | 0.3 |
| Spiritual Direction | 632 | 0.4 |
| Other | 537 | 0.3 |
| Advancement of Religion Volunteering | 4,349 | 2.5 |
| Other Charitable Work | | |
| Counselling | 18 | - |
| Neighbourhood Schemes | 560 | 0.3 |
| Work with immigrants/asylum seekers | 1,806 | 1.1 |
| Charity Fundraising | 172 | 0.1 |
| Trusteeships | 60 | - |
| Other | 350 | 0.2 |
| Other Charitable Work Volunteering | 2,966 | 1.7 |
| Total Recorded Volunteering | 23,424 | 13.8 |

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Charities and Organisations that Sisters Work With

| | |
|---|---|
| Alexandra Court Care Home, Hull | St Vincent de Paul Society (SVP) |
| Alzheimer's Society | Rite of Christian Initiation in Adults (RCIA) |
| Apostleship of the Sea | Roman Catholic Diocese of Arundel and Brighton |
| Association of Senior Religious | Roman Catholic Diocese of Birmingham |
| Brooklands Nursing Home, Liverpool | Roman Catholic Diocese of Brentwood |
| CAFOD | Roman Catholic Diocese of Hexham and Newcastle |
| Catholic Nurses Guild (local and national) | Roman Catholic Diocese of Leeds |
| Christian Aid | Roman Catholic Archdiocese of Liverpool |
| Citizens' Advice Bureau | Roman Catholic Diocese of Middlesbrough |
| Conference of Religious | Roman Catholic Diocese of Nottingham |
| Cruse Bereavement Care | Roman Catholic Diocese of Salford |
| Dellow Centre for the Homeless, Aldgate | Roman Catholic Archdiocese of Southwark |
| Demelza Children's Hospice | Roman Catholic Archdiocese of Westminster |
| Durham University – Centre for Catholic Studies | St Bede's Pastoral Centre – stipend |
| Hospital Chaplaincy – Pennine Acute Trust | St Beuno's Retreat Centre – Honorarium received |
| Hull Homeless and Rootless | Sheffield Churches Community Care |
| Inspire Sheffield | Sheffield City Council MIRG (Major Incident Response Group) |
| Justice & Peace | Society for the Protection of Unborn Children (SPUC) |
| Lark Spirituality Centre | Teikyo University of Japan in Durham |
| Lighthouse | Thomas Lee Nursing Home, Liverpool |
| Legion of Mary | TRAC (Trafficking Charity) |
| Newman Circle | Treasures Foundation |
| NHS Hospitals | Trinity Day Centre |
| Proclaim 15 Groups | Welcome Centre, Ilford |
| RAPT (The Rehabilitation of Addicted Prisoners Trust) | Whispers of Hope |
| Rathbone Rehabilitation Unit, Liverpool | Willowbrook Hospice, Liverpool |
| SOVA | Women@TheWell |
| St Barnado's Hospice | Worthing Homeless Project |
| St Cuthbert's Retreat Centre | |

Charitable Donations

The Institute also makes financial donations to a wide range of charities. Trustees respond to appeals on behalf of the Congregation. These donations are usually made from investment income.. In addition, each Community also has its own budget to contribute to local charities and those in need. Please refer to Note 10 on pages 80 and 81.

2022 IN SISTERS' OWN WORDS

'Mercy is the Business of Our Lives'

Catherine McAuley founded the ethos that 'Mercy is the business of our lives' and our Sisters live out mercy in many ways: Volunteering, giving a listening ear, raising money, and giving practical help to charities and individuals.

'Walking Nuns'

The first Sisters of Mercy were commonly dubbed 'the walking nuns'. They were the first religious order in Ireland that was not 'cloistered', walking out amongst the community to support the needy: visiting the poor in their own homes, rather than the poor visiting the Convent for assistance.



War in Ukraine

Our Sisters were very saddened by the outbreak of war in Ukraine and have tried to help the refugees in a number of ways since the war started. Sr Marie Windle (Newcastle under Lyme) was part of the organising Committee for a sponsored walk at Tittesworth Water, Meerbrook, Leek on April 2nd 2022. £30,000 was raised and most of this money will be used for the Ukrainian refugees.



Sr Marie Windle with the Mayor of Stoke on Trent and a member of the National Executive of Christian Aid.

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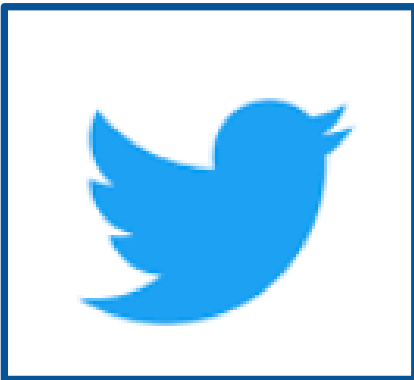
The Eltham and Bermondsey Communities were fortunate in being able to make a generous response to the appeal to help some Ukrainian Refugees located in a house given by a generous donor in the Southeast London Area.

The Bermondsey Sisters provided bedding, toiletries, cleaning products, colouring books and chocolate Easter Eggs while the Eltham Community provided kitchen utensils and furniture together with vital odds and ends including a large quantity of clothing for women and children.

WHISH (Whitby Hidden Impairment Support and Help)

A number of Sisters in Whitby walked 5 km in order to help fund a new sensory room for WHISH.

Walking the Streets of Twitter



One of our Sisters gives us a different view on walking without our boots on. Sister Cathy believes that twitter or social media is the modern equivalent of the streets of our Foundress' Dublin, where she encouraged her Sisters to be with the people who needed them.

Catherine McAuley used letters to write to her Sisters to offer them support and encouragement and today Sister Cathy uses twitter to foster relationships that can support, encourage, inspire, console and offer frivolity, helping to make the world a safe and pleasant place to be. Sister Cathy is convinced that if Catherine was alive today, she too would use twitter to interact with her Sisters and others.



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Sister Cathy also organised a day in Bermondsey Convent in May 2022 to explore the topic of 'Communicating the Gospel in a Digital Age'. This meeting was attended by 20 Religious, representing 13 different Congregations, with 8 joining online. The group reflected on the use of Twitter, Facebook and blogging.

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External Links

Members of the Institute of Our Lady of Mercy have links with many other bodies within the Catholic Church:

Mercy International Association (MIA)

The Sisters of the Institute of Our Lady of Mercy are part of a global Mercy Family. Leaders of Mercy Congregations worldwide are members of Mercy International Association and three Members serve on the Board, together with a number of lay people. The Members meet twice a year, on Zoom in November and in person in Baggot Street Centre, Dublin, in May. This centre, which was the first Convent of Mercy founded by Catherine McAuley, is now an International Centre for the whole Mercy world and through its website, newsletters and courses connects the Mercy Family and offers a number of events throughout the year for all those connected to the Sisters of Mercy.

Conference of Religious (COR)

The Conference of Religious has undergone many changes in its administration in the past few years and has also moved premises. The executive have been very busy organising meetings following the Safeguarding Reports, the Elliot Report and the Independent Report. Most of these meetings were held on Zoom so enabled great participation from all Religious Groups in England and Wales. COR has also organised their own Conferences, some on Zoom and in 2022 a day conference in person.

Conference of Religious - Synodal Reflections

In February 2022 a number of Sisters took part in the Synodal Reflections organised by the Conference of Religious for England and Wales. One of our Sisters, Sister Lynda Dearlove (future Trustee) delivered one of the reflections on Mission. Sister Lynda spoke about her own experience as CEO of woman@thewell Charity in King's Cross, London. This is a Charity for women only whose vision is that all women are empowered to achieve their full potential free from discrimination, abuse and neglect. Sister Lynda drew attention to our Foundress, the Venerable Catherine McAuley, who also worked for the betterment of women and early in the life of the Congregation had a House of Mercy in Dublin for at least 30 homeless women.

Union of Superior Generals (UISG)

Sister Colette, as Leader of the Institute, is a member of UISG. During lockdown and covid most meetings have taken place on Zoom. There was an international meeting in Rome in 2022 but a number of Leaders joined on Zoom rather than be present in person.

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Whispers of Hope (Registered Charity Number 1196678)

Five sisters have recorded their voluntary hours with the registered Charity, Whispers of Hope. Sisters Bridget and Geraldine each give an explanation of their involvement here:

Sr. Bridget Lyons – Volunteer with Whispers of Hope

I have volunteered with Whispers of Hope since November 2021. Whispers of Hope is a charity based in the Stoke on Trent area. They support women who are fleeing from domestic abuse who also have immigration issues. I attend the weekly Safe Space meetings where the women meet together and I also support the women who are in Avan House, the safe house for Whispers of Hope.

For the Safe Space meeting volunteers collect the women from where they are living and bring them to a meeting place. It is here that they can support one another and meet with others who have shared experiences. This helps them to not feel so isolated. They are listened to, helped by sign posting them to useful support services and activities are provided that support their well-being such as craft and pamper sessions. They chat with one another over a cup of tea or coffee and it is amazing to see the progress these ladies make over a few weeks as they realise they are loved and they can find help to make their situation better.

It is a privilege to support the women who come to live at Avan House. I accompany them to appointments such as the G.P., job centre, the bank and any other appointment they have where they need extra help. Many of the ladies who come to live at Avan House do not speak much English, so having someone to be with them gives them confidence. I visit them regularly at Avan House and it is amazing to see them becoming more confident and grow in independence. Whispers of Hope, in partnership with immigration advisors, support them to regularize their immigration status and they are usually granted leave to remain in the UK as they are victims of domestic abuse and honour-based violence. Step by step they begin to rebuild their lives and start to be happy. It is an honour to have played a little part in helping them to do this.

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Sr. Geraldine Sweeney – Trustee of Whispers of Hope

I am a trustee of Whispers of Hope which became a registered charity in February 2021. Whispers of Hope supports women who are victims of domestic abuse who also have complex and complicated immigration issues. Many of the women have been forced into arranged marriages and some are also at risk of honour-based violence. We work in partnership with many local and statutory bodies such as the Police, the local housing department, citizen's advice bureau. We also link with women's refuges and immigration advisors who support our ladies to regularize their immigration status.

Whispers of Hope provide accommodation for up to four women in a Safe House (Avan House), which I manage and sleepover at twice a week. This provides shelter and safety for women who have no recourse to public funds and have no or limited access to support from statutory services. The charity also runs a weekly meeting for the ladies to come together and volunteers are befrienders to the women, supporting them in many different ways.

In 2022 Whispers of Hope provided 767 nights accommodation to twelve women. The ladies usually stay in Avan House for about three months whilst their immigration status is sorted and then they are able to move on with their lives. It is always such a joy to see a lady move on knowing that she can now make decisions and choices herself about her future.



Sr. Geraldine receiving Christmas donations for Whispers of Hope from Sr. Chris Bendin and Sr. Susan Browne. The donations were gratefully received by the women and children supported by Whispers of Hope.

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Justice-Peace-Integrity of Creation (JPIC)

In May 2022, Sister Maura Mullen (Trustee) attended a Justice-Peace-Integrity of Creation (JPIC) an inter-congregational meeting at High Leigh and signed the statement below on behalf of the Institute. The statement was sent to both Priti Patel and Boris Johnson.

Dear Ms Patel.

We, the undersigned, are appalled by government policy to send vulnerable people to Rwanda, who seek asylum in the UK.

We regard this policy as morally wrong; treating people in an inhumane manner; and consider it is illegal.

From: JPIC LINKS Members - JUSTICE, PEACE AND INTEGRITY OF CREATION
Representatives of an Ecumenical group of Religious Orders and Colleagues.

Justice and Peace Conference

Sister Bernie Roche (future Trustee) joined many other participants in Swanwick for the 44th Annual National Justice and Peace Conference on 29 -31 July 2022 when the theme of Gospel Hope was explored. The 160 participants discussed and reflected on signs of Hope today - where is the Spirit moving?



'Hope! A verb with its sleeves rolled up'

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Celebrations and Milestones

The year 2022 was a busy one in many ways for the Congregation as we emerged from lockdown and continued with preparations for our Ninth General Chapter in May 2023. Many congregational meetings have been held online, which has allowed for greater participation and has also reduced travel time, costs, and the impact on the environment.

In addition to the many business meetings and charitable activities during 2022, there were also celebrations of significant birthdays and anniversaries. Sisters also marked the Queen's Platinum Jubilee and later in 2022 her death and funeral. Preparations are now underway to mark the Coronation of King Charles III.

Mission in Peru Comes to an End

It was with sadness that we learned of the death of Sister Mildred McNamara (Millie) in April 2022. This marked the end of our Peru Mission which begun in 1969 by four Sisters, then all part of the Diocese of Leeds. Unfortunately, we were not able to attend Sister Mildred's funeral which took place the day after her death, but Sisters Barbara and Colette travelled to Peru in June and attended two memorial Masses in honour of Sister Mildred. The first Mass was in Tupac Amaru, where the Sisters first began their mission.

The main celebrant was Fr Noel Kerins, Columban Father, who spoke eloquently about Sister Mildred describing her as 'a strong woman, but with a heart full of compassion and mercy, a midwife and a great professional with special sensitivity and respect for women'. The second Mass was celebrated in Villa Maria where Mille spent the final working years of her life. Again, Fr Peter Hughes (Columban Father) extolled the work that Sister has done for the people. A number of parishioners also paid tributes to the work of the Sisters. We were able to say our 'thank you' on behalf of all our Sisters who had ministered in Peru over 53 years and sadly had to acknowledge the end of our involvement with the people of Lima.



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Renewal of Vows

In August, Sister Nicole renewed her vows for one year in Bermondsey Convent in front of her own community and with Sisters Margaret Duffy and Bernadette Holmes in attendance. The Mass was celebrated by Canon Alan McLean, PP of Holy Trinity Church with Fr Jim Hurley, Vicar for Religious in the Southwark Diocese. The Mass was live streamed so that Sisters and Sister Nicole's own family in New Zealand could view it. Sister Nicole is now preparing to make her final vows in August 2023.



Sister Nicole renewing her vows.

150 years of presence in Burnley

On 1 September 2022, we marked 150 years of the Sisters presence in Burnley with a concelebrated Mass in St Augustine's Church followed by a celebration meal.



Sisters Maura, Teresa and Elizabeth cutting the celebration cake.

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The Queens' Platinum Jubilee

Some Sisters joined their local street parties to mark the Queen's Platinum Jubilee and many of us watched the celebrations on the television.



Our Sister Clare Smith took the role of Queen at her 'street party - even down to her marmalade sandwich!

The Death of Her Majesty Queen Elizabeth.

With the whole country we mourned the death of the Queen on 8 September 2022. We admired her dedication to her role for 70 years and gave thanks that she had fulfilled the vow she made at her Coronation in 1952.

Five of our Sisters joined the many thousands of people who queued for hours to pay their respects to the Queen, lying in state. For all of them this was an experience they will not easily forget.



Sisters Helen, Martina, Nicole and Bernadette smile for the camera as they queue!

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Anniversaries and Birthdays

Sr Stanislaus O'Connor celebrated two significant milestones: Her 100th Birthday in January and her Oak Jubilee (80 years of Religious Profession) in October. Her nephew and grandniece from Germany joined her for Mass and lunch to celebrate her Oak Jubilee.



Sister Teresa with Sister Stanislaus enjoying her card from the Queen.



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Many other Sisters also celebrated Jubilees – there was a Ruby Jubilee, and Golden, Diamond and Platinum Jubilees. Several Sisters also celebrated 80th and 90th birthdays. Some of these celebrations were opportunities for families to be involved and mark the occasions with the Sisters. A few photographs give a sense of thanksgiving and joy at each event.



Sr Zita marks her 80th birthday with her family



Sr Helen celebrates her 80th with her community



Sister Elizabeth with her Diamond Jubilee flowers



Sister Joan cutting her Diamond Jubilee cake.

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Sister Susan celebrated her Golden Jubilee with all her family.



Sister Attracta cutting her 90th birthday cake.



Sister Bernard celebrating her 90th birthday with her family.

Sister Teresa celebrating her Platinum Jubilee (70 years professed) with family and friend



PLANS FOR THE FUTURE

Immediate plans for the future in relation to each of the Institute's principal objects have been highlighted on pages 20 to 57. The following plans are of particular note:

Adoption of CIO Legal Structure

The Institute of Our Lady of Mercy was established as a Charitable Trust in 1984. This has served the needs of the Institute well, however, the changing demographics of the membership has necessitated exploration of alternative legal structures.

Following the recommendation of the Eighth General Chapter that 'The Chapter encourages the new Team to explore structures of leadership, including new models of trusteeship, which will take the Institute effectively into the future', a Trusteeship Group was set up. This Group working with Stone King Lawyers and in consultation with all the Congregation presented a draft Charitable Incorporated Organisation (CIO) Constitution to the Trustees for approval at their meeting in July 2022. This was then presented to the Charity Commission in September 2022 and approved by them in January 2023.

The Ninth General Chapter of the Institute took place from 22 May – 2 June 2023, where delegates of the Chapter unanimously gave the new team the authority to alter the legal structure of the Institute, with the transfer of assets and liabilities from the present Charitable Trust to the Institute of Our Lady of Mercy CIO to be effective from the new financial year which begins 1 January 2024.

In the meantime, the Trustees will be working with their staff team and Advisors to prepare for the transfer by reviewing all relevant agreements, including contracts and property holdings that will need to be transferred to the new Charity.

The financial statements have therefore been prepared on a basis other than a going concern, however, as all assets and liabilities will be transferred to the new entity, no impairment has been deemed necessary.

Acts of Chapter – What Mercy may yet be

As detailed above, Delegates of the Chapter gave the new team the authority to alter the legal structure of the Institute, with the transfer of assets and liabilities from the present Charitable Trust to the Institute of Our Lady of Mercy CIO to be effective from 1 January 2024.

The Chapter also considered the next phase of the Mercy story. Many different views and concerns were raised and discussed, but there was a broad consensus that Sisters wish to face the future with positive determination.

The concept of the setting up of a second charity for mercy ministries, a "Doors of Mercy CIO", was discussed. This is a concept as opposed to a fully formed solution. Sisters wish to reflect on this and to work with a professional with the skills to initiate the next steps that enable a new entity to emerge.

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The Chapter decided that the Leadership Team would consist of five members (as above) with other delegates committing themselves to embrace their own leadership responsibilities and to respond generously to invitations from the Leadership Team to co-create the future in any tasks that are asked of them.

Pope Francis declared that the Eighth Work of Mercy is the 'Care of Our Common Home'. The Chapter acknowledges the responsibility of all to protect and enhance planet Earth, and to continue both to strive for and promote a more sustainable lifestyle.

Further Changes to Communities with Care

As detailed on page 33, the Institute is currently developing a site for a new Community with Care in Brentwood, Essex. This will provide improved facilities for those Sisters currently resident in the Community with Care in Wanstead, London. It will also allow additional Sisters based in the South to join a Community with Care close to the areas where they have exercised their ministry.

Once the new Brentwood Community with Care is established, Trustees will be able to examine options for the broader Wanstead site, which currently also contains the former St Joseph's Convent School for Girls site.

General

The current level of economic uncertainty within the world and specifically the UK means that Trustees will continue to closely monitor the operations and activities of the Institute.

The Institute continues to review its business operations, processes and structures to ensure they remain fit for purpose and will act if necessary to respond to changing circumstances.

The Institute continues to work ever more closely with its operational managers, providing them with Human Resources ("HR"), Health & Safety ("H&S"), Finance, Data Protection and legal expertise. The Head Teacher and School Business Manager are also advised on governance matters.

GDPR eLearning and cyber security training continue to be delivered. Regular data protection advice and data reviews by the Institute's Data Protection Officer supports managers and staff with their ongoing compliance with the policies and procedures. This will continue into 2023.

The renewal of IT hardware and software continues to ensure that the Institute's operations meet the demand to communicate safely and effectively in a connected world.

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New Trustee Team

A new Leadership Team was elected at the Ninth General Chapter which will take up office from 1 September 2023 for a period of five years. This team will become Trustees of both the Institute of Our Lady of Mercy Charitable Trust and the Institute of Our Lady of Mercy CIO on this date, when current Trustees will retire:

Sr Bernadette Holmes (current Trustee) was elected as the new Institute Leader. Sr Bernadette Roche was elected as the Assistant Leader; and Sisters Lynda Dearlove, Jude Groden and Christina O'Donnell were also elected to the Leadership Team.

The current Trustees welcome the new Trustee Team and wish them every blessing in their work for the Institute.



The Future Trustee Team Left to Right: Sr. Lynda Dearlove, Sr. Jude Groden, Sr Bernadette Holmes, Sr. Christina O'Donnell and Sr Bernadette Roche

FINANCIAL REVIEW

Risk Management

With the support of its professional advisors and staff team the Institute maintains a comprehensive risk register which is reviewed on a frequent basis. Where key risks are identified mitigating actions are agreed and the appropriate remedies actioned to ensure that risks are kept within the agreed risk profile for the Institute. Managed risks include both internal Institute issues and areas where the Institute has obligations to regulators and other stakeholders.

The declining number of religious Sisters who can provide the necessary vision and direction for the charity is mitigated through support for all staff and a programme of continued professional development in which all staff directly or indirectly benefit. The Institute strives to achieve this by using fit for purpose policies and procedures, placing a strong emphasis on developing positive working relationships and following organisational values in day-to-day operations. The involvement of advisors, and increased management support (e.g., administration, finance, IT, data protection and human resources) at the Generalate also helps to manage risk. Similarly, with the reducing number of Sisters the functions and responsibilities taken on by lay staff become increasingly important for the Institute to keep under review.

The rising cost of providing care to elderly Sisters along with increased instability in the financial markets and high inflation are eased by using investment managers who provide regular reports on investment performance and benchmark financial returns. While this approach has ensured that sufficient working capital is available to meet the Institute's needs, the Institute needs to continually monitor the draw on its resources and cash flow, ensuring that prudent stewardship decisions are made.

The Institute operates three Communities with Care for frail Sisters where high-level care can be provided efficiently in an appropriate environment.

The Institute of Our Lady of Mercy are members of the Religious Life Safeguarding Service (RLSS) and the Catholic Safeguarding Standards Agency (CSSA). The Institute employs a Safeguarding Lead and has a Safeguarding Trustee Sub-Committee, which includes two of the Institute Trustees and a number of lay advisors. The Sub-Committee takes legal advice from Lupton Fawcett LLP on safeguarding matters as and when required. This structure will help ensure that the Institute continues to invest in ongoing training in relation to its safeguarding responsibilities whilst also supporting the Trustees, other Sisters, and staff in their duty of care towards vulnerable groups.

Trustees recognise that the ongoing strategic management of the Institute is an area that requires considerable attention on an ongoing basis. When issues arise and decisions are required Trustees seek the support and advice of their team at the Generalate together with their professional advisors. Similarly, the management of their care facilities and school benefits from a commitment to take wide advice from the Institute's staff and advisors together with a readiness to adjust their resourcing and plans to meet changing operational needs.

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Fundraising

The Institute is predominantly funded by income from the covenanted salaries and pensions of Sisters, care home fees, school fees, rents and investment income, rather than seeking to raise money from the public through fundraising appeals.

The Institute is aware of the importance of protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate and the nature of the way in which funds are raised means that the risks of abuse are inherently low.

The Institute does not engage external agents to carry out fundraising on its behalf and, in view of the limited reliance on donations from outside the Congregation, it has not signed up to any voluntary scheme for regulating fundraising, or to any voluntary standard for fundraising, nor has it taken specific steps to protect vulnerable people and the public from unreasonable intrusions into their privacy, unreasonably persistent approaches for money or property and undue pressure to give money or property. It has received no complaints about fundraising activities.

Other Policies

The policies of the Charity with regard to investments, financial procedures and grant making are clearly set down in policy statements. These are all reviewed on a regular basis and amended where necessary to take account of changing circumstances and practices. All Communities are issued with financial guidelines.

The requirements of Charity law and their bearing upon the working practices of the Charity have been the subject of discussion at Trustee Meetings. The importance of full compliance with legal requirements is understood.

INVESTMENTS

Powers

The investments of the charity are pooled together and invested as a whole, the capital and interest being applied pro rata to the capital invested. There are two subsidiary Trusts:

- The Costello Fund (Alnwick) - this is invested in quoted securities
- The Fullerton Fund – this is formed from the net proceeds of the sale of St Mary's Residential Care Home, Worthing – this is being drawn down at a relatively high rate and therefore is not invested in quoted securities.

The investment powers of the Trustees, which are set out in the Trust Deed, are widely drawn and authorise the Trustees to sell, call in and convert money and to vary and transpose investments (subject to such consents as may be required by law). Power is given to invest monies in the purchase of stocks, funds, securities or other investments (including freehold and leasehold property) of whatsoever nature and wheresoever and whether involving liability or not; the Trustees have the same full and unrestricted powers of investing and transposing all investments as if they were entitled thereto beneficially. Where income arising from investments is not applied to the objects of the charity there is power to invest and accumulate the same. In this respect, the Trustees, by order of the Charity Commission, are authorised to appoint Investment Advisors and to delegate to them discretionary powers of management. Charles Stanley & Company Limited have been appointed Investment Advisors.

Policy

The Investment Policy of the Trustees laid down to the Investment Advisors is “to achieve long term growth of both capital and income together with a reasonably high level of current income. The assets should be managed to at least maintain the real capital value of the portfolio, whilst generating a sustainable level of income to support the various charitable activities”.

The 2022 division of the portfolio, of about 41% invested in cash, fixed interest and alternative assets and 59% in equity investments, is considered satisfactory and gives an acceptable level of risk to the Trustees. The Trustees require ethical considerations to be taken into account in the choice of investments in accordance with these guidelines.

In broad terms ethically acceptable investments, mostly equities, are chosen because they do not, through their activities, disadvantage any part of the world population or make irresponsible use of natural resources. Additionally, such investments should have a positive impact on the quality of life for communities at large, have an ethical approach to climate change, health, housing and medicine, and have a strong human rights record. Specifically, direct investments not meeting these criteria include those engaging in and profiting from the following industries: armaments, mining, tobacco, gambling and pornography. The same guidelines should apply in the use of collective investment vehicles with the exception that the investment manager may select funds so long as there is no material breach of the above criteria. The Trustees do not have an outright exclusion on Fossil Fuels but following a review of the sector have taken the decision to sell down the existing direct equities in the portfolios by no later than 31 December 2025.

Institute of Our Lady of Mercy

Charles Stanley uses the services of Ethical Screening and MSCI to monitor ESG and other related matters regarding the investments and updates to the Trustees are provided at the half-yearly meetings.

Divestment from Fossil Fuels

The Policy Statement highlights the Trustees decision to reduce investments in companies involved with fossil fuels. As reported in the previous Annual Report, the Institute was proud to join a Global Divestment Announcement organised by Operation Noah. Sister Maura Mullen made the following statement on behalf of Trustees on 17 May 2021:

As Trustees of the Institute of Our Lady of Mercy in the UK, we have been working with our Investment Manager during the past 18 months and can now confirm that we will have fully divested from any holdings involved in Fossil Fuel activities in the near future and within five years at the latest.

“In the midst of increasing awareness and acknowledgment of our current Climate emergency, our attention is directed to the urgent need to cut carbon emissions drastically. This presents us with a clear moral imperative to which we are called to respond by divesting from Fossil Fuel holdings and joining the Global Divestment Announcement on 17 May 2021. We see this as a powerful witness to our faith and values in the context of the April Leaders’ Summit on Climate and the UK’s hosting of the COP26 in Glasgow in November 2021.”

Policy on Reserves

The Trustees’ policy is to maintain the current level of reserves, as far as is possible (having taken account of the potential for fluctuation in the investment markets). It is hoped that the investment of reserves will provide a secure, long term income stream for the Charity.

This income stream will enable the Charity to fulfil its continuing obligations to its beneficiaries and to preserve the ongoing legacy of the Institute of Our Lady of Mercy well into the future.

The Trustees will continue to monitor and review their policy on a yearly basis.

The unrestricted reserves amount to £137.9m (2021: £146.9m).

The Charity’s policy on restricted funds is to record separately donations, grants and other income sources where restrictions are imposed that are narrower than the Charity’s overall objectives.

Institute of Our Lady of Mercy

Grant Making Policy

Grants, which comprise gifts and charitable bequests, are considered by the Trustees on a regular basis when it is decided which charities or causes are to be supported. The grants are made to support charitable work.

When considering grant requests, the Trustees assess:

- The extent to which the grant would further the Institute's Aims and Objectives.
- The operational and financial viability of the organisation making the request.
- Whether the grant will complement or continue the charitable work of the Institute in a particular community.

Social Investment Policy

The Trustees' policy is that where possible they will seek to make investments that further the aims of the charity for the public benefit. The Trustees do not expect a financial return, or the main purpose of these investments is not for a financial return. These investments mainly relate to properties being let, usually at a peppercorn or below market rent, to individuals or organisations whose work relates to the advancement of the charity's aims.

Summary

The Institute funds its charitable activities mainly through incoming resources from Sisters' salaries and pensions, care home fees, school fees, investment income, the sale of investments and the sale of fixed assets surplus to requirements. The Institute had a deficit of £9.8m for the year ended 31 December 2022 (2021: surplus of £3.1m). Restricted funds totalled £16.0m (2021: £16.8m) and unrestricted funds totalled £137.9m (2021: £146.9m).

Institute of Our Lady of Mercy

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and 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 and 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 then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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, the Charity (Accounts and Reports) Regulations 2008 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Institute of Our Lady of Mercy

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as independent auditors to the Charity will be proposed at the next Trustees' meeting.

APPROVED BY THE TRUSTEES ON

..31 JULY 2023

Signed: *M. J. Cronin*

TRUSTEE

Date: *31/7/2023*

Signed:

TRUSTEE *B. Jeffery*

Date *31/7/2023*

Independent auditors' report to the trustees of the Institute of our Lady of Mercy

Report on the audit of the financial statements

Opinion

In our opinion, the Institute of our Lady of Mercy's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report 2022 (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of financial activities and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to the basis of preparation within the accounting policies in the financial statements which describes the trustees' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission and Ofsted regulations in respect of Care Homes and Schools operated by the Charity, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting of inappropriate journals so as to misstate accounting records. Audit procedures performed included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect manipulation of the financial statements;
- testing accounting estimates that we deemed to present a risk of material misstatement, including challenging management on the supporting documents provided for the same;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations;
- testing of the completeness of income; and
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for 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 (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
31 July 2023

INSTITUTE OF OUR LADY OF MERCY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations | 4 | 26,838 | - | 26,838 | 61,807 |
| Charitable activities | 5 | 5,917,302 | - | 5,917,302 | 5,814,994 |
| Investments income | 6 | 2,763,269 | 65,719 | 2,828,988 | 2,786,997 |
| Other income | 7 | 821,762 | - | 821,762 | 14,864 |
| Total income | | 9,529,171 | 65,719 | 9,594,890 | 8,678,662 |
| Expenditure on: | | | | | |
| Raising funds | 8 | 254,981 | 7,069 | 262,050 | 206,334 |
| Charitable activities | 9 | 14,410,688 | 255,108 | 14,665,796 | 13,743,782 |
| Other expenditure | 11 | - | - | - | (274,296) |
| Total expenditure | | 14,665,669 | 262,177 | 14,927,846 | 13,675,820 |
| Net expenditure before net (losses)/gains on investments | | (5,136,498) | (196,458) | (5,332,956) | (4,997,158) |
| Net (losses)/gains on investments | | (4,337,280) | (113,727) | (4,451,007) | 8,108,336 |
| Net (expenditure)/income | | (9,473,778) | (310,185) | (9,783,963) | 3,111,178 |
| Transfers between funds | 24 | 532,858 | (532,858) | - | - |
| Net movement in funds | | (8,940,920) | (843,043) | (9,783,963) | 3,111,178 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 146,861,630 | 16,835,234 | 163,696,864 | 160,585,686 |
| Net movement in funds | | (8,940,920) | (843,043) | (9,783,963) | 3,111,178 |
| Total funds carried forward | | 137,920,710 | 15,992,191 | 153,912,901 | 163,696,864 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 74 to 97 form part of these financial statements.

INSTITUTE OF OUR LADY OF MERCY

BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|--|-------|---------------------------|---------------------------|
| Fixed assets | | | |
| Tangible assets | 17 | 78,122,520 | 79,090,497 |
| Investments | 19 | 62,144,284 | 70,678,561 |
| Investment property | 18 | 7,896,920 | 7,583,300 |
| Total fixed assets | | <u>148,163,724</u> | <u>157,352,358</u> |
| Current assets | | | |
| Stock | 20 | 1,780 | 1,947 |
| Debtors (including £428,467 (2021: £478,888) due after one year) | 21 | 811,279 | 883,999 |
| Cash at bank and in hand | 27 | 5,830,041 | 6,674,584 |
| Total current assets | | <u>6,643,100</u> | <u>7,560,530</u> |
| Creditors: amounts falling due within one year | 22 | (893,923) | (1,216,024) |
| Net current assets | | <u>5,749,177</u> | <u>6,344,506</u> |
| Total assets less current liabilities | | <u>153,912,901</u> | <u>163,696,864</u> |
| Net assets excluding pension asset | | <u>153,912,901</u> | <u>163,696,864</u> |
| Total net assets | | <u><u>153,912,901</u></u> | <u><u>163,696,864</u></u> |
| Charity funds | | | |
| Restricted funds | 24,25 | 15,992,191 | 16,835,234 |
| Unrestricted funds | 24,25 | 137,920,710 | 146,861,630 |
| Total funds | 24,25 | <u><u>153,912,901</u></u> | <u><u>163,696,864</u></u> |

The financial statements were approved and authorised for issue by the Trustees on 31 July 2023 and signed on their behalf by:

B. Jeffery

Sr Barbara Jane Jeffery

N. F. Cronin

Sr Norah Frances Cronin

The notes on pages 74 to 97 form part of these financial statements.

INSTITUTE OF OUR LADY OF MERCY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | | 2022 £ | 2021 £ |
|---|----|-------------|-------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 26 | (7,165,340) | (6,263,264) |
| | | <hr/> | <hr/> |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 2,828,988 | 2,786,997 |
| Purchase of tangible assets | | (1,995,260) | (207,404) |
| Proceeds from the sale of tangible assets | | 1,717,417 | 2,077,697 |
| Proceeds from sale of investment properties | | - | 571,282 |
| Proceeds from sale of investments | | 4,880,005 | 5,538,750 |
| Purchase of investments | | (1,110,353) | (2,724,350) |
| | | <hr/> | <hr/> |
| Net cash generated from investing activities | | 6,320,797 | 8,042,972 |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (844,543) | 1,779,708 |
| Cash and cash equivalents at the beginning of the year | | 6,674,584 | 4,894,876 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | | 5,830,041 | 6,674,584 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 74 to 97 form part of these financial statements

INSTITUTE OF OUR LADY OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Institute of Our Lady of Mercy (the "Charity" or the "Institute") is a registered charity with the Charity Commission with registered number 290544. The principal address of the Charity is The Generalate, Convent of Mercy, Cemetery Road, Yeadon, Leeds, LS19 7UR.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Institute of Our Lady of Mercy meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

The Trustees registered a new entity with the Charity Commission: Institute of Our lady of Mercy CIO (registered charity number 1201690) on 24 January 2023. All Trustees of the Charitable Trust are Trustees of the CIO.

It is the intention that all of the assets and liabilities of the Charitable Trust will be transferred to the CIO by no later than 1 January 2024. This date was chosen to correspond with the start of the new financial year.

Trustees will be working with all their advisors to prepare for the transfer by reviewing all relevant agreements, including contracts and property holdings that will need to be transferred to the new charity.

The financial statements have therefore been prepared on a basis other than going concern, however, as all assets and liabilities will be transferred to the new entity, no adjustments to the carrying values of assets or liabilities have been deemed necessary.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of the accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured *reliably*.

Fees and similar income

Fees receivable and charges for teaching or residential care are accounted for in the year in which the service is provided. Income from sisters earning salaries and sisters receiving pensions is accounted for on an accruals basis.

Grants receivable

Grants are recognised in the Statement of Financial Activities when receivable and in accordance with the terms of the grant.

Major grants received towards the cost of acquiring fixed assets are included as restricted income, and transfers made to unrestricted funds as the assets are depreciated.

Investment income

Income is included in the Statement of Financial Activities on the following bases:

UK Dividends and Fixed Interest Stocks when the income due is declared as being payable. Bank and short-term deposit interest is accrued up to the accounting date.

Donations, legacies and gifts

Donations, legacies and gifts are included in the Statement of Financial Activities when the trustees are reasonably certain that the funds will be received.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the trustees.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Governance costs

Governance costs include external audit, strategic costs and professional services in relation to the governance of the charity.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more (£5,000 or more if property related) are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

(i) Freehold land & buildings

Land and buildings include freehold and leasehold premises. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

(ii) Fixtures and fittings, equipment and motor vehicles

Fixtures and fittings, equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Land is not depreciated. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|-----------------------|--------------|
| Buildings | - 50 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 5-10 years |
| Equipment | - 2-5 years |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Investments

Investment properties

Investment properties are valued annually.

Investment properties have been valued by The JTS Partnership LLP, Chartered Surveyors, who are independent external valuers.

The valuations were in accordance with the requirements of the RICS UK Valuation Standards and FRS 102. Investment Properties are valued to Market Value assuming that the property would be sold subject to any existing leases.

The valuer's opinion of Market Value was primarily derived using:

(i) comparable recent market transactions on arm's length terms.

(ii) using an estimate of the future potential net income generated by use of the property, because its specialised nature means that there is no market-based evidence available.

Quoted securities

The quoted securities are valued at market value based on the bid price of the quotation in the Stock Exchange Daily Official list or similar recognised market value. Realised and unrealised gains and losses on sale or revaluation of investments are taken to the Statement of Financial Activities in the year in which they arise.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 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.

2.10 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

The Charity has chosen to designate certain debt instruments that would be classified as basic financial instruments as fair value through profit and loss as permitted by section 11.4 (b) of FRS 102. The recognition, measurement and disclosure requirements of FRS 102 in respect of financial instruments measured at fair value through income and expenditure have been applied to these designated financial instruments. Financial assets designated as at fair value through income and expenditure at inception are those that are managed and whose performance is evaluated on a fair value basis.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in income and expenditure.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.13 Pensions

Teaching staff belong to the Teachers' Superannuation Scheme, which is a multi-employer defined benefit scheme. As the information as to the underlying share of assets and liabilities by employer is not available, the scheme is accounted for as a defined contribution scheme and contributions are charged to the Statement of Financial Activities in the year in which they are payable. The effects of this are disclosed in Note 30.

The Institute operates a defined contribution scheme for other staff. Contributions are charged to the Statement of Financial Activities in the year in which they are payable. The costs of the defined contribution scheme are charged to relevant activity within unrestricted funds based on the type of work performed.

2.14 Related party transactions

The Charity discloses transactions with related parties which are not wholly owned within the Institute. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Trustees, separate disclosure is necessary to understand the effect of the transactions on the Charity's financial statements.

2.15 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical judgements and estimates

Valuation of investment properties

The Charity makes an annual estimate of the open market value of investment properties. The trustees take into account advice from third parties, including valuations performed externally, and by using all knowledge and information available to them, including market yields, replacement cost, tenant covenant strength, the availability of suitable purchasers, the wider property market conditions and the nature of the asset held.

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Donations

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|-----------|------------------------------------|-----------------------------|
| Donations | 26,838 | 26,838 |
| | <u>26,838</u> | <u>26,838</u> |

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-----------|------------------------------------|-----------------------------|
| Donations | 61,807 | 61,807 |
| | <u>61,807</u> | <u>61,807</u> |

Donations are received from various sources including parent teacher association donations from schools, care home donations from visitors and donations made for the overseas missions. In 2022, there were no specific legacy donations made by one individual included in the donations balance (2021: £Nil).

5. Charitable activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|--------------------------------|------------------------------------|-----------------------------|
| Sisters' salaries and pensions | 2,615,585 | 2,615,585 |
| School fees | 752,588 | 752,588 |
| Care home fees | 2,538,459 | 2,538,459 |
| Grant receivable | 10,670 | 10,670 |
| | <u>5,917,302</u> | <u>5,917,302</u> |

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--------------------------------|------------------------------------|-----------------------------|
| Sisters' salaries and pensions | 2,612,798 | 2,612,798 |
| School fees | 719,662 | 719,662 |
| Care home fees | 2,328,404 | 2,328,404 |
| Grant receivable | 154,130 | 154,130 |
| | <u>5,814,994</u> | <u>5,814,994</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Investment income

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Income from investment properties | 617,362 | - | 617,362 |
| Income from quoted investments | 1,915,805 | 65,719 | 1,981,524 |
| Bank and other similar interest | 230,102 | - | 230,102 |
| | <u>2,763,269</u> | <u>65,719</u> | <u>2,828,988</u> |

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Income from investment properties | 666,666 | - | 666,666 |
| Income from quoted investments | 1,828,743 | 82,982 | 1,911,725 |
| Bank and other similar interest | 208,606 | - | 208,606 |
| | <u>2,704,015</u> | <u>82,982</u> | <u>2,786,997</u> |

7. Other income

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|------------------------------------|------------------------------------|-----------------------------|
| Sundry income | 60,704 | 60,704 |
| Profit on disposal of fixed assets | 761,058 | 761,058 |
| | <u>821,762</u> | <u>821,762</u> |

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------|------------------------------------|-----------------------------|
| Sundry income | 14,864 | 14,864 |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Raising funds

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Investment management fees | 254,981 | 7,069 | 262,050 |

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Investment management fees | 199,722 | 6,612 | 206,334 |

9. Resources expended

| | Convents and religious activities 2022 £ | Schools and education 2022 £ | Care homes and other care activities 2022 £ | Total funds 2022 £ |
|--------------------------|--|---------------------------------------|--|-----------------------------|
| Staff costs | 2,151,149 | 646,683 | 2,792,218 | 5,590,050 |
| Other costs | 3,867,565 | 118,987 | 531,815 | 4,518,367 |
| Support costs allocation | 1,898,326 | 7,069 | 94,883 | 2,000,278 |
| Depreciation | 2,023,319 | 5,166 | 2,814 | 2,031,299 |
| Grants payable | 525,607 | 841 | (646) | 525,802 |
| | <u>10,465,966</u> | <u>778,746</u> | <u>3,421,084</u> | <u>14,665,796</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Convents and religious activities 2021 £ | Schools and education 2021 £ | Care homes and other care activities 2021 £ | Total funds 2021 £ |
|--------------------------|--|---------------------------------------|--|-----------------------------|
| Staff costs | 2,080,869 | 645,879 | 2,828,501 | 5,555,249 |
| Other costs | 3,178,101 | 106,919 | 550,360 | 3,835,380 |
| Support costs allocation | 1,821,145 | 4,667 | 9,522 | 1,835,334 |
| Depreciation | 1,933,934 | 15,723 | 4,509 | 1,954,166 |
| Grants payable | 562,429 | 1,150 | 74 | 563,653 |
| | <u>9,576,478</u> | <u>774,338</u> | <u>3,392,966</u> | <u>13,743,782</u> |

Support costs have been allocated to running costs in proportion to the total costs of those charitable activities.

10. Analysis of grants

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Grants payable (2022) | | | |
| Missions | 44,479 | - | 44,479 |
| Costello | - | 56,031 | 56,031 |
| Fullerton | - | 173,000 | 173,000 |
| General | 252,292 | - | 252,292 |
| | <u>296,771</u> | <u>229,031</u> | <u>525,802</u> |

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Grants payable (2021) | | | |
| Missions | 14,903 | - | 14,903 |
| Costello | - | 75,607 | 75,607 |
| Fullerton | - | 172,581 | 172,581 |
| General | 300,562 | - | 300,562 |
| | <u>315,465</u> | <u>248,188</u> | <u>563,653</u> |

Number of grants paid to institutions- 628 (2021- 745) amounting to £440,391 (2021- £478,513)
Number of grants paid to individuals- 303 (2021- 431) amounting to £85,411 (2021- £85,140)

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Institutional grants

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| CAFOD - Ukraine Humanitarian Campaign | 10,000 | - |
| DEC Pakistan Floods Appeal | | |
| DEC Pakistan Floods Appeal | 10,000 | - |
| Durham University - Catherine McAuley Scholarship | 20,000 | 20,000 |
| Religious Life Safeguarding Service | - | 50,000 |
| Sion Catholic Community | 8,000 | 8,000 |
| St Joseph's R C Primary School | 6,000 | 6,000 |
| St Monica's Housing | - | 5,000 |
| Women@theWell | 200,000 | 180,000 |
| Others | 186,391 | 209,513 |
| | <u>440,391</u> | <u>478,513</u> |

11. Other expenditure

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|------------------------------------|-----------------------------|
| Loss on disposal of investment properties | 168,381 | 168,381 |
| Profit on disposal of fixed assets | (442,677) | (442,677) |
| | <u>(274,296)</u> | <u>(274,296)</u> |

INSTITUTE OF OUR LADY OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Governance and support costs

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Support costs | | |
| Postage and telephones | 104,414 | 104,414 |
| Property and general administration | 851,025 | 851,025 |
| Legal fees | 118,800 | 118,800 |
| Other expenses | 8,022 | 8,022 |
| | <hr/> | <hr/> |
| | 1,082,261 | 1,082,261 |
| Governance costs | | |
| Independent auditors remuneration | 136,175 | 136,175 |
| Accountancy fees | 743,017 | 743,017 |
| Legal fees | 38,825 | 38,825 |
| | <hr/> | <hr/> |
| | <u>2,000,278</u> | <u>2,000,278</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Support costs | | |
| Postage and telephones | 112,265 | 112,265 |
| Property and general administration | 834,019 | 834,019 |
| Legal fees | 125,721 | 125,721 |
| Other expenses | 32,406 | 32,406 |
| | <u>1,104,411</u> | <u>1,104,411</u> |
| Governance costs | | |
| Independent auditor's remuneration | 105,125 | 105,125 |
| Accountancy fees | 576,122 | 576,122 |
| Legal fees | 87,617 | 87,617 |
| | <u>1,873,275</u> | <u>1,873,275</u> |

13. Net outgoing resources are stated after charging/(crediting):

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Depreciation of owned assets | 2,031,326 | 1,954,166 |
| Operating lease cost | 78,506 | 71,864 |
| Independent auditors remuneration for audit services | 136,175 | 105,125 |
| Independent auditors remuneration for accountancy services | 21,600 | 70,000 |
| Independent auditors remuneration for other advice | - | 1,500 |
| Loss on disposal of investment properties | - | 168,381 |
| Profit on disposal of tangible assets | (761,058) | (442,677) |
| | <u>(761,058)</u> | <u>(442,677)</u> |

14. Staff costs

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,865,145 | 4,882,763 |
| Social security costs | 437,440 | 372,401 |
| Pension costs | 287,465 | 300,085 |
| | <u>5,590,050</u> | <u>5,555,249</u> |

INSTITUTE OF OUR LADY OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

| | 2022 No. | 2021 No. |
|-----------------|-------------|-------------|
| School services | 24 | 26 |
| Care homes | 105 | 109 |
| Other staff | 119 | 118 |
| | <u>248</u> | <u>253</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2022 No. | 2021 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | - | 1 |

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

All the trustees are members of the Congregation and beneficiaries of the Charity and reside in the Charity's property and have no money of their own, having taken a vow of poverty. All living costs and items such as travel expenses are incurred by the Charity. Other than the trustees there are no key management personnel.

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

16. Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and gains from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these surpluses are applied solely for charitable purposes.

17. Tangible assets

| | Freehold land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Equipment £ | Total £ |
|--------------------------|-------------------------------------|------------------------|-------------------------------|------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 January 2022 | 90,312,194 | 618,206 | 6,389,444 | 1,412,855 | 98,732,699 |
| Additions | 1,891,462 | 17,197 | 101,013 | 10,037 | 2,019,709 |
| Disposals | (1,125,674) | (500) | - | - | (1,126,174) |
| | <u>91,077,982</u> | <u>634,903</u> | <u>6,490,457</u> | <u>1,422,892</u> | <u>99,626,234</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Tangible assets (continued)

| | Freehold land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Equipment £ | Total £ |
|--------------------------|-------------------------------------|------------------------|-------------------------------|------------------|-------------------|
| Accumulated depreciation | | | | | |
| At 1 January 2022 | 11,635,779 | 530,011 | 6,109,200 | 1,367,212 | 19,642,202 |
| Charge for the year | 1,859,525 | 30,142 | 107,576 | 34,082 | 2,031,325 |
| On disposals | (169,813) | - | - | - | (169,813) |
| At 31 December 2022 | <u>13,325,491</u> | <u>560,153</u> | <u>6,216,776</u> | <u>1,401,294</u> | <u>21,503,714</u> |
| Net book value | | | | | |
| At 31 December 2022 | <u>77,752,491</u> | <u>74,750</u> | <u>273,681</u> | <u>21,598</u> | <u>78,122,520</u> |
| At 31 December 2021 | <u>78,676,415</u> | <u>88,195</u> | <u>280,244</u> | <u>45,643</u> | <u>79,090,497</u> |

18. Investment property

| | Freehold investment property £ |
|------------------------|---|
| Valuation | |
| At 1 January 2022 | 7,583,300 |
| Additions | 105,503 |
| Surplus on revaluation | 208,117 |
| At 31 December 2022 | <u>7,896,920</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Investments

| | Quoted securities £ |
|--------------------------|---------------------------|
| Cost or valuation | |
| At 1 January 2022 | 70,678,561 |
| Additions | 1,004,851 |
| Disposals | (4,880,004) |
| Revaluations | (4,659,124) |
| At 31 December 2022 | <u>62,144,284</u> |
| Net book value | |
| At 31 December 2022 | 62,144,284 |
| At 31 December 2021 | <u>70,678,561</u> |

| | 2022 £ | Total funds 2022 £ |
|---------------------------------|-------------------|-----------------------------|
| Quoted securities (2022) | | |
| Equity | 54,478,102 | 54,478,102 |
| Corporate debt | 6,823,900 | 6,823,900 |
| Sovereign debt | 72,192 | 72,192 |
| Preference shares | 770,090 | 770,090 |
| | <u>62,144,284</u> | <u>62,144,284</u> |

| | 2021 £ | Total funds 2021 £ |
|---------------------------------|-------------------|-----------------------------|
| Quoted securities (2021) | | |
| Equity | 61,627,385 | 61,627,385 |
| Corporate debt | 7,170,958 | 7,170,958 |
| Sovereign debt | 974,718 | 974,718 |
| Preference shares | 905,500 | 905,500 |
| | <u>70,678,561</u> | <u>70,678,561</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Stocks

| | 2022 £ | 2021 £ |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | 1,780 | 1,947 |
| | <u>1,780</u> | <u>1,947</u> |

21. Debtors

| | 2022 £ | 2021 £ |
|-------------------------------------|----------------|----------------|
| Due after more than one year | | |
| Loans | 428,467 | 478,788 |
| | <u>428,467</u> | <u>478,788</u> |
| Due within one year | | |
| Trade debtors | 206,878 | 158,777 |
| Other debtors | 26,514 | 2,700 |
| Prepayments and accrued income | 149,420 | 243,734 |
| | <u>811,279</u> | <u>883,999</u> |

Loans due after more than one year relate to a loan to a registered charity, which is secured and is interest free, and one loan to individuals which is interest free.

Loan repayments due within one year included within other debtors amount to £25,000 (2021- nil). Loans due after more than one year are repayable as follows: £100,000 (2021- £100,000) is repayable between two and five years and £328,467 (2021- £378,788) is repayable in more than five years.

Trade debtors are stated net of bad debt provision of £4,560 (2021- £4,863).

22. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|----------------|------------------|
| Trade creditors | 253,013 | 237,058 |
| Taxation and social security | 141,233 | 138,671 |
| Other creditors | 62,468 | 450,065 |
| Accruals and deferred income | 437,209 | 390,230 |
| | <u>893,923</u> | <u>1,216,024</u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Financial instruments

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Financial assets measured at fair value through income and expenditure | | |
| Financial assets measured at fair value through income and expenditure | <u>62,144,284</u> | <u>70,678,561</u> |

Financial assets measured at fair value through income and expenditure comprise quoted investments.

24. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/(out) £ | Losses £ | Balance at 31 December 2022 £ |
|----------------------------------|--------------------------------------|-------------------------|----------------------------|----------------------------|---------------------------|---|
| Unrestricted funds | | | | | | |
| Accumulated Funds | <u>146,861,630</u> | <u>9,529,171</u> | <u>(14,665,669)</u> | <u>532,858</u> | <u>(4,337,280)</u> | <u>137,920,710</u> |
| Restricted funds | | | | | | |
| Maricourt High School- grants | 1,878,414 | - | - | (55,027) | - | 1,823,387 |
| Broughton Hall High School-grant | 12,022,314 | - | - | (305,149) | - | 11,717,165 |
| Fullerton Fund | 577,990 | - | (173,000) | (172,581) | - | 232,409 |
| Special account No 5 | 90,683 | 819 | (244) | - | (18,747) | 72,511 |
| Costello Fund | 2,265,833 | 64,900 | (88,933) | (101) | (94,980) | 2,146,719 |
| | <u>16,835,234</u> | <u>65,719</u> | <u>(262,177)</u> | <u>(532,858)</u> | <u>(113,727)</u> | <u>15,992,191</u> |
| Total of funds | <u><u>163,696,864</u></u> | <u><u>9,594,890</u></u> | <u><u>(14,927,846)</u></u> | <u><u>-</u></u> | <u><u>(4,451,007)</u></u> | <u><u>153,912,901</u></u> |

INSTITUTE OF OUR LADY OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. Statement of funds (continued)

The restricted funds consist of the following:

- Special account No 5 is a separate fund in which a sister's personal assets are held in accordance with Canon Law.
- The Costello Fund is a separate fund concerned with the advancement of education generally. The assets of the fund are mostly quoted investments.
- The Fullerton Fund was created following the disposal of the freehold property of St Mary's Residential Care Home, Worthing which was held in a separate fund concerned with the provision of a convalescent home for the sick and poor. On disposal of the freehold property the proceeds were transferred to the Fullerton Fund for the relief of the sick and poor in England and Wales.
- Maricourt High School, Maghull and Broughton Hall High School, Liverpool funds are in respect of grants received from the Department for Education and Skills for building works at the respective schools. These grants are initially credited to restricted reserves. The funds are transferred to unrestricted funds at the same rate that the properties are depreciated, 2022: £360,175 (2021: £360,175).

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/(out) £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|-----------------------------------|--------------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|---|
| Unrestricted funds | | | | | | |
| Accumulated Funds | 143,627,249 | 8,595,680 | (13,669,208) | 443,382 | 7,864,527 | 146,861,630 |
| Restricted funds | | | | | | |
| Maricourt High School- grants | 1,933,441 | - | - | (55,027) | - | 1,878,414 |
| Broughton Hall High School- grant | 12,327,462 | - | - | (305,148) | - | 12,022,314 |
| Fullerton Fund | 577,990 | - | - | - | - | 577,990 |
| Special account No 5 | 81,515 | 747 | - | - | 8,421 | 90,683 |
| Costello Fund | 2,038,029 | 82,235 | (6,612) | (83,207) | 235,388 | 2,265,833 |
| | <u>16,958,437</u> | <u>82,982</u> | <u>(6,612)</u> | <u>(443,382)</u> | <u>243,809</u> | <u>16,835,234</u> |
| Total of funds | <u><u>160,585,686</u></u> | <u><u>8,678,662</u></u> | <u><u>(13,675,820)</u></u> | <u><u>-</u></u> | <u><u>8,108,336</u></u> | <u><u>163,696,864</u></u> |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 64,581,967 | 13,540,553 | 78,122,520 |
| Quoted investments | 60,162,517 | 1,981,767 | 62,144,284 |
| Investment property | 7,896,920 | - | 7,896,920 |
| Debtors due after more than one year | 428,467 | - | 428,467 |
| Current assets | 5,724,762 | 489,871 | 6,214,633 |
| Creditors due within one year | (873,923) | (20,000) | (893,923) |
| Total | 137,920,710 | 15,992,191 | 153,912,901 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 65,183,947 | 13,906,550 | 79,090,497 |
| Quoted investments | 68,446,139 | 2,232,422 | 70,678,561 |
| Investment property | 7,583,300 | - | 7,583,300 |
| Debtors due after more than one year | 478,788 | - | 478,788 |
| Current assets | 6,385,480 | 696,262 | 7,081,742 |
| Creditors due within one year | (1,216,024) | - | (1,216,024) |
| Total | 146,861,630 | 16,835,234 | 163,696,864 |

INSTITUTE OF OUR LADY OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

| | 2022 £ | 2021 £ |
|--|--------------------|--------------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (9,783,963) | 3,111,178 |
| Adjustments for: | | |
| Depreciation charges | 2,031,299 | 1,954,166 |
| Profit on disposal of tangible assets | (761,058) | (442,677) |
| Loss on disposal of investment properties | - | 168,381 |
| Loss/(gain) on investments | 4,451,007 | (8,108,336) |
| Dividends, interest and rents from investments | (2,828,988) | (2,786,996) |
| Decrease/(increase) in debtors | 72,629 | (234,934) |
| (Decrease)/increase in creditors | (346,432) | 77,901 |
| Decrease/(increase) in inventory | 166 | (1,947) |
| Net cash used in operating activities | (7,165,340) | (6,263,264) |

27. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash at bank and in hand | 2,387,687 | 4,744,019 |
| Cash held as investments | 3,442,354 | 1,930,565 |
| Total cash and cash equivalents | 5,830,041 | 6,674,584 |

28. Analysis of changes in net debt

| | At 1 January 2022 £ | Cash flows £ | At 31 December 2022 £ |
|--------------------------|---------------------------|------------------|--------------------------------|
| Cash at bank and in hand | 6,674,584 | (844,543) | 5,830,041 |
| | 6,674,584 | (844,543) | 5,830,041 |

**NOTES TO THE FINANCIAL STATEMENTS
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29. Grant commitments

At 31 December 2022, the Charity had total grant commitments of £160,000 payable within one year (2021- £200,000 payable within one year and £60,000 payable within two to five years).

The grant commitments are payable without any contingent conditions attached, with donations to be used for core costs. Operations of the grant recipient must continue to run in order to receive the grants committed in the future. These commitments will be funded from general cash reserves.

30. Pension commitments

There are two pension schemes in operation for employees of the Institute. These are a defined contribution scheme for non-teaching staff and the Teachers' Pension Scheme ('TPS'), a defined benefit pension scheme. The assets of the defined contribution scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable by the Institute to the fund.

The total pension cost for the year was £287,465 (2021: £300,085) which includes contributions to the TPS of £60,755 (2021- £63,694).

Teachers' Pension Scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

**NOTES TO THE FINANCIAL STATEMENTS
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30. Pension commitments (continued)

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

31. Related parties

The trustees consider that their relationship with Women@thewell, a registered charity, is such that it is a related party, by virtue of some common trustees. The Institute leases premises to Women@thewell at a peppercorn rent. During the year the Institute donated £200,000 to the charity (2021: £180,000) and has grant commitments totalling £160,000 due within one year (2021: £180,000 due within one year, £60,000 due 1-2 years)

32. Operating lease commitments

At 31 December the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Motor vehicles | | |
| Not later than 1 year | 62,487 | 44,200 |
| Later than 1 year and not later than 5 years | 87,096 | 42,118 |
| | <u>149,583</u> | <u>86,318</u> |