

# REGISTRAR OF COMPANIES

## **The Congregation of the Daughters of the Cross of Liege**

### **Report and Accounts**

31 March 1999



Company Registration Number  
3492921

Charity Registration Number  
1068661

**Buzzacott**

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## Legal and administrative information

<b>Name</b>	The Congregation of the Daughters of the Cross of Liege
<b>Trustees</b>	Sister Mary Kelly (Chairperson) Sister Patricia Madden Sister Margaret Martin Sister Erwina Meister (aka Sister Clare Joseph) Sister Kathleen O'Reilly Sister Elena Pettenuzzo OBE (Secretary)
<b>Provincial Superior</b>	Sister Mary Kelly
<b>Provincial Bursar</b>	Sister Elena Pettenuzzo OBE
<b>Company registration number</b>	3492921
<b>Charity registration number</b>	1068661
<b>Charity's registered address</b>	29 Tite Street London SW3 4JX
<b>Auditors</b>	Buzzacott 12 New Fetter Lane London EC4A 1AG
<b>Investment managers</b>	Mercury Asset Management plc 33 King William Street London EC4R 9AS  AIB Investment Managers (UK) Ltd 51 Belmont Road Uxbridge Middlesex UB8 1RZ  Bank of Ireland Asset Management Ltd 26 Fitzwilliam Place Dublin 2  Davys Stockbrokers 49 Dawson Street Dublin 2

## **Legal and administrative information**

**Principal bankers**      Royal Bank of Scotland  
127-128 High Holborn  
London  
WC1V 6PQ

**Solicitors**              Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

Gladstones  
6 Gray's Inn Square  
London  
WC1R 5AZ

## **Trustees' report** Period to 31 March 1999

The trustees are pleased to present their report, together with the accounts of The Congregation of the Daughters of the Cross of Liege, for the period ended 31 March 1999.

### **Constitution**

The Congregation of the Daughters of the Cross of Liege, "the charity", is a charitable company limited by guarantee under Company Number 3492921 and registered under Charity Number 1068661. The company was incorporated on 15 January 1998 and commenced its charitable activities on 1 April 1998.

Prior to this date, The Congregation of the Daughters of the Cross of Liege - English Province, "the Congregation", operated under a trust deed dated 15 April 1910 and registered under the Charity Number 222289. Under an agreement dated 7 March 1998, all the assets, liabilities and activities were transferred at book value to the new company and the comparative figures shown throughout, are those of the charitable trust.

The reasons for the change in structure are explained under 'organisation and structure' below.

### **Objects**

The charity is established for the same purposes as the original charitable trust. These are charitable and religious.

In particular the charity seeks to:

- ◆ advance religion, by establishing and maintaining residences for the members of the Congregation
- ◆ advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law
- ◆ relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy
- ◆ the advancement of religion, the advancement of education and the relief of poverty and suffering, by direct activity in the community and all other charitable means, including giving alms to the needy.

### **Organisation and structure**

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the members of the company. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The Provincial Superior, together with her Provincial Council and Provincial Bursar, are the directors, henceforward to be known as trustees.

Among the reasons for the change in constitution were the large number of people involved in the activities of the charity, whether as beneficiaries, employees, volunteers or contractors. In addition, the sheer size and scope of the properties occupied by the charity added to the need for a structure which allowed authority to be delegated.

## **Trustees' report** Period to 31 March 1999

### **Organisation and structure** (continued)

The day to day activities of the charity are under the control of the Provincial Superior. Authority is delegated to the management teams responsible for running the activities of each daughter house.

In addition, each active house has an advisory committee to advise the Provincial Superior and management teams.

There are between three and ten trustees who hold office for three years, all of whom are eligible for re-election.

### **Activities and achievements**

#### Hospitals

##### ♦ St Anthony's Hospital, Cheam

The hospital is an acute hospital specialising in cardiology. It has 92 beds and has cared for 6,458 in-patients. It also saw 31,076 out-patients. The number of full-time employees was 356 and part-time was 195. The refurbishment of the wards, started in January 1998, was completed during this financial year. A new imaging project (MRI) was also begun, and the total projected costs of this are approximately £3 million.

##### ♦ Holy Cross, Haslemere

This hospital has 40 beds for the severely physically disabled and neurologically impaired, cared for by a staff of 46 full-time and 59 part-time (full-time equivalent - 34) and helped by a group of 27 volunteers. A special wing of the convent looks after frail, elderly and sick Sisters. Since March 1999, Clareville, a holiday cottage at Selsey, Hampshire purchased by the charity last year, has been used regularly on a daily basis by the residents together with staff, relatives and volunteers. It has proved a welcome change for many of the residents.

St Joseph's, Haslemere, is a centre offering therapeutic programmes to adults with drug and alcohol problems. In this current year, 82 people, supported by a staff of 11 full-time and 7 part-time, have been cared for in this unit.

##### ♦ St Michael's, Hayle

This general hospital has 85 beds and has treated 2,890 in-patients, 3,652 day care patients and 11,701 out-patients, with a staff of 98 full-time and 140 part-time, aided by 47 volunteers. Of the total number of patients, 98% were being treated under the National Health Service. As set out in note 19 to the accounts on page 34, the hospital was transferred to the Royal Cornwall Hospitals National Health Service Trust with effect from 1 July 1999. This transfer also included Marie Therese House.

Marie Therese House, Hayle.

This is a respite unit for the young, chronically disabled which has looked after 428 people this year, cared for by 17 full-time, 23 part-time staff and helped by 9 volunteers.

## **Trustees' report** Period to 31 March 1999

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

#### Hospices

- ♦ St Raphael's Hospice, Cheam  
The development to extend the hospice was completed this year. There were 410 in-patients receiving care. In addition, the day centre saw 1,695 patients during the year. The number of full-time employees for the hospice was 63 and part-time was 11. Approximately 240 volunteers have also helped in many ways.
- ♦ St Julia's Hospice, Hayle  
The new purpose-built 10 bedded stand-alone hospice was completed and opened by The Princess Royal in January 1999. The new stand-alone hospice building replaced the 7-bedded one, previously located within St Michael's Hospital. 213 in-patients have been cared for by a staff of 5 full-time and 31 part-time, aided by 40 volunteers. Due to the transfer of St Michael's Hospital, arrangements have now been completed to transfer the hospice to the Mount Edgcumbe Hospice under a 99 year lease at a peppercorn rent, as set out in note 19, on page 34.

#### Schools and care homes

- ♦ Mary Immaculate School, Stillorgan, Dublin,  
This was a school for the hearing impaired which closed in June 1998, as only 7 children remained, owing to the improved facilities throughout the country generally. Some of the buildings on site have been leased on a temporary basis to two other special schools, caring for children and young people suffering from autism. The trustees are in negotiations with the Department of Education regarding the possibility of the Department extending the facilities to create a centre for autism on site.
- ♦ St Elizabeth's Centre, Much Hadham  
The centre comprises a non-maintained special school with boarding facilities for 80 pupils and a residential home for 104 adults, all suffering from severe epilepsy and associated handicaps. They have been cared for by 219 full-time and 117 part-time employees (full-time equivalent 282). They are assisted by 36 Community Service Volunteers and approximately 30 other volunteers. In October 1998, the school had its second OFSTED inspection with very good results, "The school provides good value for money. Pupils made good progress, are taught well and their behaviour is good." In October 1998, the school also underwent a full Social Services inspection and received an excellent report, "The overall impression of boarding life at the school is one of dignified living, peer support, fun and friendship."  
  
In December 1998 and January 1999, the home for the adults also had its Social Services inspection, "The reception on all units was most welcoming and it was indeed obvious that residents' needs, likes and dislikes were catered for and respected by all the staff. A serene, homely atmosphere was the overall impression of St Elizabeth's."
- ♦ St Wilfrid's Residential Home for the Elderly  
This is a home for 44 people aged 80 and over which, during this year, with a full-time staff of 25 and part-time staff of 14, has looked after 50 residents, including the provision of some respite care. Approximately 10 volunteers assist with leisure activities. To enhance the quality of life of the residents, the undercroft of the chapel has been transformed into a garden lounge, approached by a covered way from the residents' dining room.

## **Trustees' report** Period to 31 March 1999

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

#### Province

The English Province of the Congregation consisted of 108 Sisters at 31 March 1999, and, besides the Houses mentioned above, some Sisters reside in houses situated in Jarrow, Bury, Blackley, Broadstairs, Carshalton, Donaghmore, Blanchardstown (Dublin), and Tracy and Stockton in California. In these situations, the Sisters work in parishes, local schools, hospitals and carry out other charitable works.

### **Non aggregated activities**

#### ♦ Holy Cross College, Bury

This 6th Form College educated 1,009 students in the year and has a staff of 60 full-time and 13 part-time employees. 'A' level results showed an improvement, with the overall pass rate rising from 87% to 89% and the A to C rate rising from 49% to 54.8%. 11 students achieved grades required for Oxbridge entry. In December 1998, the college received the Investors in People Award.

#### ♦ St Philomena's School, Carshalton

The school is now a voluntary aided secondary school (previously a grant - maintained school). During the year it educated 1,054 girls with a staff complement of 100. Examination results showed further improvement. At GCSE level 63% of the girls gained five or more grades A - C with an overall pass rate of 70%. The 'A' level results were markedly better than the previous year with an average point score per pupil at 15.3. Exceptionally, all the 14 'A' level Art Students gained grade A. In January 1999, the school also gained the Investors in People Award.

### **Services policy**

The charity seeks to meet the needs of local communities within its objects by undertaking to provide, with the help of benefactors, the land and the majority of the capital plus the management infrastructure that is required to deliver the service. Thereafter, it is for the users of the facilities, government departments, local government and private funders to meet the costs of providing the services.

### **Financial comment**

From the statement of financial activities (page 12) it can be seen that the total cost of the provision of services (excluding grants and transfers of £3m) amounted to £35.8m (1998 - £36.2m), whereas the operational income only reached £33.6 (1998 - £33.0m). The shortfall of operating income has been funded by a combination of voluntary income, investment income and the earnings and pensions of the Sisters (which are covenanted to the charity).



## **Trustees' report** Period to 31 March 1999

### **Financial comment** (continued)

During the year the trustees decided to have a valuation carried out of the majority of the freehold land and buildings, in order to ensure that all properties were properly reflected within the accounts and to ensure that full depreciation was being provided. The valuation took place at 31 March 1999 and the net result has been to increase the book value by £5.3m. Of this amount, £4.3m has effectively been included in the designated fixed asset fund and £1m, being the revaluation of St Raphael's, has been included in the restricted fixed asset fund. This is the main reason for the resources of the charity, increasing by £5.0m (1998 - £5.0m) to £74m (1998 - £69m).

The trustees consider this state of affairs to be satisfactory and that the charity's reserves are adequate to fulfil its current obligations.

There is a continuing need in all the charity's activities to improve further the facilities to meet up-to-date standards, the requirements of clients and to raise the quality of services provided. As a result £5.4m was invested in tangible fixed assets during the year. The majority of this was spent on refurbishing the wards at St Anthony's and completing the new St Julia's Hospice.

### **Investment policy**

Responsibility for the management of the portfolio is delegated to the investment managers who operate within guidelines set down and regularly reviewed by the trustees.

The Provincial Bursar is a member of the Catholic Working Party affiliated to the Christian Ethical Investment Group. Through this medium, the trustees can bring to the directors of companies included in the investment portfolio, the views of charities regarding ethical issues.

The investment managers are listed on page 1. The market value of the investment portfolio, excluding cash, at 31 March 1999 was £15.4m (1998 - £16.9m).

The charity's investment portfolio is spread over listed UK and overseas investments, in the ratio of approximately 3:1.

### **Reserves policy**

The trustees are conscious of the requirement to balance the needs of present beneficiaries of the charity against those in the future. This means that they have to consider and decide the level of net incoming resources needed to be retained each year to invest in future development.

In view of the size and cost of capital developments to meet changes in care provision or school needs, capital appeals may be required from time to time to ensure the necessary funds are available.

The balance sheet shows that £51.8m of the charity's funds are tied up in tangible fixed assets, mostly in land and buildings. This is represented predominantly by designated funds.

## **Trustees' report** Period to 31 March 1999

### **Reserves policy** (continued)

Other designated funds are established out of general funds and designated for specific purposes where there is a capital commitment, or a need to provide funding for a specific purpose. These purposes, therefore, include the Sisters' retirement fund of £5.6m, a maintenance and repairs fund of £7.3m and a capital commitments fund of £4.5m.

The resultant balance on the general fund of £2.8m (1998 - £2.2m) represents the "free reserves" available to the charity for day to day working capital requirements. This represents around 27 days (1998 - 20 days) of the charity's total annual expenditure. Although this is currently satisfactory, the trustees consider 50 days to be more acceptable and are thus aiming to raise the free reserves to this level.

### **Future developments and events since 31 March 1999**

The most significant development has been the finalisation of the transfers of St Michael's and St Julia's as explained in note 19 to the accounts.

As explained under "financial comment" the facilities at each of the charity's properties are continually being improved. By way of example, the following events have occurred since 31 March 1999:

- ◆ The Learning Resources Centre, funded by the charity with a grant of £1m last year, at Holy Cross College, Bury has been opened and the older buildings in Bury are being refurbished from their own resources
- ◆ Staff bungalows are to be built at St Elizabeth's, Much Hadham, by means of a £200,000 bank loan, which will be repaid from the rent received on these properties
- ◆ The dining room at St Wilfrid's is to be extended at a cost of around £100,000
- ◆ St Philomena's School has been granted an interest free loan of £500,000 to build a new hall, which will be repayable at £50,000 per annum.

### **Trustees' responsibilities statement**

Law applicable to incorporated charities in England and Wales requires the trustees (who are directors of the company for the purposes of the Companies Act), to prepare accounts for each financial year which give a true and fair view of the state of the charity and of the income and expenditure of that period. In preparing those accounts the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ follow applicable accounting standards subject to any material departures disclosed and explained in the accounts.
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees believe they have fulfilled these requirements.

## **Trustees' report** Period to 31 March 1999

### **Trustees' responsibilities statement (continued)**

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

### **Trustees**

The trustees were appointed on 7 March 1998 and they continue to serve as trustees. Their names are listed under legal and administrative information on page 1. No trustee had any beneficial interest in any contract with the charity and received no remuneration for their services.

### **Year 2000 compliance**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of The Congregation of the Daughters of the Cross of Liege depends not only on its own computer systems, but also to some degree on those of its suppliers. This could expose it to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the trustees believe the charity will achieve an acceptable state of readiness and have also provided resources to deal promptly with significant subsequent failures or issues that might arise.

The cost of implementing the action plans will be subsumed into the recurring activities of the charity and will be expensed as incurred.

### **Employees**

The Congregation is committed to oppose discrimination on the grounds of ethnicity, religion, disability, gender, age, sexual identity or family circumstances. If an employee becomes disabled, the charity will make every effort to ensure their continued employment.

To further our commitment, we ensure that our recruitment and selection policies avoid direct or indirect discrimination and comply with the Sex Discrimination, the Race Relations and the Disability Discrimination Acts. We aim to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework.

The trustees, together with the management teams, aim to keep employees informed and involved through regular meetings and newsletters.

**Trustees' report** Period to 31 March 1999

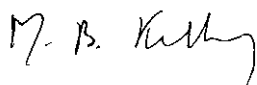
**Auditors**

The auditors, Buzzacott, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

**Thanks**

Finally, the trustees wish to record that none of the charity's work could be achieved without the dedicated loyalty of the members of staff employed by the houses, the efforts of all the full-time and part-time volunteers, or without the continuing generosity of their benefactors. To them all, they offer their thanks and their prayers.

Signed on behalf of the trustees



PROVINCIAL SUPERIOR

Approved by the trustees on: 7.11.99

**Report of the auditors to the members of The Congregation of the Daughters of the Cross of Liege**

We have audited the accounts on pages 12 to 34 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 to 20.

**Respective responsibilities of trustees and auditors**

As described on pages 8 and 9 the trustees, who are also directors of the Congregation of the Daughters of the Cross of Liege for the purposes of Company Law, are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the charity's affairs as at 31 March 1999 and of its incoming resources and application of resources including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

*8 November 1999*

## Statement of financial activities Year to 31 March 1999

		Unrestricted funds				
		General fund £'000	Designated funds £'000	Restricted funds £'000	1999 Total £'000	1998 Total £'000
	Notes					
<b>Income and expenditure</b>						
<b>Incoming resources</b>	1					
Operational income		32,986	—	661	33,647	33,041
Voluntary income		283	—	2,225	2,508	2,164
Investment income		743	—	106	849	997
Community income		1,016	—	—	1,016	1,045
Rent receivable and other income		265	—	—	265	261
Gain on sale of fixed assets		15	—	—	15	4,341
<b>Total incoming resources</b>		<b>35,308</b>	<b>—</b>	<b>2,992</b>	<b>38,300</b>	<b>41,849</b>
<b>Resources expended</b>	2					
Direct charitable expenditure						
· Hospitals		23,980	—	123	24,103	23,952
· Homes		4,050	—	1	4,051	3,634
· Hospices		—	—	1,939	1,939	1,806
· Schools		3,136	—	40	3,176	4,021
· Support of members of the Congregation		1,288	—	31	1,319	1,408
· Support of members worldwide		23	—	—	23	133
· Grants and donations		281	—	—	281	3,409
· Transfers to other organisations	19	520	—	2,163	2,683	—
		<b>33,278</b>	<b>—</b>	<b>4,297</b>	<b>37,575</b>	<b>38,363</b>
Other expenditure	2					
· Fundraising and publicity		172	—	598	770	715
· Management and administration of the charity		399	—	16	415	538
		<b>571</b>	<b>—</b>	<b>614</b>	<b>1,185</b>	<b>1,253</b>
<b>Total resources expended</b>		<b>33,849</b>	<b>—</b>	<b>4,911</b>	<b>38,760</b>	<b>39,616</b>
<b>Net (outgoing) incoming resources before transfers</b>		<b>1,459</b>	<b>—</b>	<b>(1,919)</b>	<b>(460)</b>	<b>2,233</b>
<b>Transfers between funds</b>	10, 11, 12	<b>(5,449)</b>	<b>5,889</b>	<b>(440)</b>	<b>—</b>	<b>—</b>
<b>Net (outgoing) incoming resources for the year</b>		<b>(3,990)</b>	<b>5,889</b>	<b>(2,359)</b>	<b>(460)</b>	<b>2,233</b>
<b>Realised (losses) gains on investments</b>		<b>(209)</b>	<b>—</b>	<b>3</b>	<b>(206)</b>	<b>357</b>
<b>Statement of total recognised gains and losses</b>						
<b>Net (expenditure) income</b>		<b>(4,199)</b>	<b>5,889</b>	<b>(2,356)</b>	<b>(666)</b>	<b>2,590</b>
<b>Unrealised gains on investments</b>	6	<b>603</b>	<b>—</b>	<b>76</b>	<b>679</b>	<b>2,644</b>
<b>Unrealised gains on revaluation of land and buildings</b>	5	<b>4,204</b>	<b>—</b>	<b>1,060</b>	<b>5,264</b>	<b>—</b>
<b>Net movement in funds</b>		<b>608</b>	<b>5,889</b>	<b>(1,220)</b>	<b>5,277</b>	<b>5,234</b>
<b>Balances brought forward at 1 April 1998</b>		<b>2,218</b>	<b>61,632</b>	<b>5,397</b>	<b>69,247</b>	<b>64,013</b>
<b>Balances carried forward at 31 March 1999</b>		<b>2,826</b>	<b>67,521</b>	<b>4,177</b>	<b>74,524</b>	<b>69,247</b>

## Statement of financial activities Year to 31 March 1999

	1999 £'000	1998 £'000
<b>Historical cost net movement in funds</b>		
Net movement in funds (page 12)	5,277	5,234
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amounts	492	592
Unrealised gains on investments	(679)	(2,644)
Unrealised gains on freehold land and buildings	(5,264)	—
Difference between historical cost realised gains and the actual realised gains calculated on the revalued amounts	1,143	427
<b>Historical cost net movement in funds</b>	<b>969</b>	<b>3,609</b>

### Continuing operations

All of the Province's activities during the year represented continuing operations, although, as explained in note 19, since the year end one hospital and one hospice have been transferred to other organisations.

# **Balance sheet** 31 March 1999

	Notes	1999 £'000	1999 £'000	1998 £'000	1998 £'000
<b>Fixed assets</b>					
Tangible fixed assets	5		<b>51,764</b>		45,532
Investments	6		<b>16,274</b>		18,575
			<b>68,038</b>		64,107
<b>Current assets</b>					
Stocks		<b>789</b>		801	
Debtors	7	<b>4,280</b>		3,460	
Cash at bank and in hand		<b>6,716</b>		7,136	
		<b>11,785</b>		11,397	
<b>Creditors:</b> amounts falling due within one year	8	<b>5,101</b>		5,511	
<b>Net current assets</b>			<b>6,684</b>		5,886
<b>Total assets less current liabilities</b>			<b>74,722</b>		69,993
<b>Creditors:</b> amounts falling due after one year	9		<b>198</b>		746
<b>Total net assets</b>			<b>74,524</b>		69,247
Represented by:					
<b>Funds and reserves</b>					
Restricted funds	10				
. Fixed asset fund		<b>2,436</b>		1,941	
. Other		<b>1,741</b>		3,456	
			<b>4,177</b>		5,397
Unrestricted funds					
. Designated funds	11				
.. Fixed asset fund		<b>49,328</b>		43,591	
.. Other		<b>18,193</b>		18,041	
			<b>67,521</b>		61,632
. General fund	12		<b>2,826</b>		2,218
<b>Total funds</b>			<b>74,524</b>		69,247

Signed on behalf of the trustees:

  
 TRUSTEE AND PROVINCIAL SUPERIOR

  
 TRUSTEE

Date of approval: 7.11.99



## Cash flow statement Year to 31 March 1999

	Notes	1999 £'000	1998 £'000
<b>Cash inflow from operating activities</b>	A	<b>1,692</b>	<b>432</b>
<b>Return on investments and servicing of finance</b>			
Investment income		<b>849</b>	997
Exchange movement on deposits		<b>135</b>	—
<b>Capital expenditure and financial investment</b>	B	<b>(3,431)</b>	<b>1,615</b>
		<b>(755)</b>	<b>3,044</b>
<b>Financing</b>			
Repayment of medium term grant		<b>(500)</b>	(441)
(Decrease) increase in bank loans		<b>(48)</b>	16
<b>Decrease in cash</b>	C	<b>(1,303)</b>	<b>2,619</b>

Notes to the cash flow statement for the year to 31 March 1999.

### A Reconciliation of net incoming resources before transfers to net cash inflow from activities

	1999 £'000	1998 £'000
Net (outgoing) incoming resources before transfers	<b>(460)</b>	2,233
Depreciation charge	<b>2,314</b>	2,398
Net gain on disposal of tangible fixed assets	<b>(15)</b>	(4,341)
Investment income	<b>(849)</b>	(997)
Decrease (increase) in stocks	<b>12</b>	(24)
(Increase) decrease in debtors	<b>(820)</b>	259
(Decrease) increase in creditors	<b>(533)</b>	904
Transfers to other organisations	<b>2,043</b>	—
<b>Net cash inflow from operating activities</b>	<b>1,692</b>	<b>432</b>

## Cash flow statement Year to 31 March 1999

### B Gross cash flows

	1999 £'000	1998 £'000
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(5,392)	(3,763)
Receipts from sales of tangible fixed assets	83	5,732
Payments to acquire investments	(2,511)	(4,560)
Receipts from the disposal of investments	4,389	4,206
	<b>(3,431)</b>	1,615

### C Analysis of changes in net funds

	At 1 April 1998 £'000	Cash flows £'000	At 31 March 1999 £'000
Cash at bank and in hand	7,136	(420)	<b>6,716</b>
Cash held by investment managers	1,646	(760)	<b>886</b>
Loans and overdrafts	(682)	(123)	<b>(805)</b>
	8,100	(1,303)	<b>6,797</b>
Debt due after one year	(746)	548	<b>(198)</b>
<b>Total</b>	<b>7,354</b>	<b>(755)</b>	<b>6,599</b>

## Principal accounting policies 31 March 1999

### Scope

The accounts incorporate and aggregate the results of the Provincial House together with the other houses and activities ('daughter houses'), which are:

Activity	Name
<b>Hospitals</b>	
Cheam, Surrey	St Anthony's
Haslemere, Surrey	Holy Cross
	St Joseph's (treatment for alcohol and other drugs dependency)
Hayle, Cornwall (see note 19)	St Michael's
	Marie Therese House (rehabilitation unit for severely disabled)
<b>Hospices</b>	
Cheam, Surrey	St Raphael's
Hayle, Cornwall (see note 19)	St Julia's
<b>School</b>	
Much Hadham, Hertfordshire	St Elizabeth's Centre (School for those affected by epilepsy)
<b>Homes</b>	
Much Hadham, Hertfordshire	St Elizabeth's Centre (Home for those affected by epilepsy)
Chelsea, London	St Wilfrid's (Residential home for the elderly)
<b>Other convents</b>	
Blackley, Manchester	
Blanchardstown (Dublin), Eire	
Broadstairs, Kent	
Bury, Lancashire	
Carshalton, Surrey	
Donaghmore, Northern Ireland	
Jarrow, Tyne and Wear	
Stockton, California, USA	
Beech Park, Stillorgan, Eire	
Tracy, California, USA	

The accounts do not include the results and net assets of St Philomena's School, Carshalton or Holy Cross College, Bury (see page 18).

## **Principal accounting policies** 31 March 1999

### **Basis of accounting**

#### Accounting convention

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of certain fixed assets.

#### Statement of Recommended Practice

The accounts have been prepared in accordance with the recommendations set out in the Statement of Recommended Practice (SORP) on "Accounting by Charities" issued by the Charity Commission in October 1995.

#### St Philomena's School, Carshalton

The Provincial Superior appoints the Foundation Governors of the school and the charity owns the school premises. The income, expenditure, non property assets and liabilities of the school have not been incorporated as, being a Voluntary Aided School (and previously a grant maintained school), it is an exempt charity under the Schools Standards and Framework Act 1998 (and therefore a separate legal entity); the income, expenditure and management of the school is under the control and responsibility of the school's Board of Governors.

#### Holy Cross College, Bury

The charity owns the property at Holy Cross College, Bury, Lancashire, which is a sixth form college funded by the Further Education Funding Council (FEFC); it is a "designated college" under the Further and Higher Education Act 1992. The Provincial Superior has the power to appoint a majority of the Governors, but the charity does not exercise management control over the college and derives no financial benefit from its activities.

Its income, expenditure, non-property assets and liabilities are not, therefore, incorporated in these accounts. Information about its financial activities is given in note 17.

### **Incoming resources**

- ◆ Operational income is derived from the issue of fees to individuals and health insurance companies, contributions from Health and Education authorities, together with any other income arising from an activity. It is credited to income in the period to which it relates and excludes VAT.
- ◆ Voluntary income represents that given by individuals, corporations and trusts by way of legacies, donations, deeds of covenant and gift aid, together with the turnover from sales in charity shops. With the exception of legacies, it is credited to the statement of financial activities in the year in which it is received, together with any tax recoverable. Legacies are credited to the statement of financial activities once the charity has been notified of its entitlement to the income and the value of the legacy is capable of financial measurement.
- ◆ Investment income, representing dividends and interest, is credited to the statement of financial activities when receivable together with any associated tax recoverable.

**Incoming resources** (continued)

- ◆ Community income is predominantly the income donated by the Sisters of the charity which arises from their salaries and pensions earned. It is credited to income when receivable.
- ◆ Rents receivable and other income are credited to the statement of financial activities on an accruals basis.

**Resources expended**

- ◆ Costs incurred in the provision of each specific charitable activity of the charity are analysed by activity. Examples include the costs of providing hospital care, such as nursing costs, medical supplies and premises costs, and the costs of providing education, such as teaching and related premises costs.
- ◆ Support of members expenditure is that related to the subsistence and welfare of the Sisters living in the UK and Ireland and related premises costs, which enable them to carry out their charitable works, together with contributions to the Worldwide Congregation.
- ◆ Fundraising and publicity costs include the costs of advertising and marketing and the running costs of the charity shops, as well as the salaries of fundraising staff.
- ◆ Management and administration costs are those incurred in connection with the management of the charity's assets and costs of compliance with constitutional and statutory requirements. The organisation and control of the charity is carried out by the trustees who are not remunerated for their work.

**Pension costs**

Contributions in respect of defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Contributions in respect of defined benefit schemes are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity.

## **Principal accounting policies** 31 March 1999

### **Tangible fixed assets**

Tangible fixed assets are stated at cost, with the exception of freehold land and buildings at which the principal activities of the charity are carried out, which are stated at valuation.

Depreciation is calculated at the following annual rates in order to write down each asset to its estimated residual value over its estimated useful life:

Leasehold property	over the period of the lease
Freehold buildings	2-4% on cost or revaluation
Computer equipment, fixtures and fittings	15-33.3% on cost
Motor vehicles	14-25% on cost

No depreciation is provided on freehold land, or assets in the course of construction.

### **Investments**

Investments are included in the accounts at market value. Gains and losses on investments included in the statement of financial activities are computed by reference to the market value of investments at the beginning of the year. Those gains/losses created by the sale of investments are shown as realised gains/losses.

### **Stocks**

Stocks, representing mainly medical supplies, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

### **Fund accounting**

#### **Restricted funds**

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use. Once the purposes have been fulfilled they are released to unrestricted funds.

The restricted funds include all the funds of the charity's one remaining hospice (see note 10).

#### **Designated funds**

Designated funds are those funds earmarked by the trustees for a specific purpose, although they are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

#### **General fund**

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their own discretion in furtherance of the charity's objectives.

## Notes to the accounts 31 March 1999

### 1 Incoming resources

	Unrestricted funds £'000	Restricted funds £'000	Total funds 1999 £'000	Total funds 1998 £'000
Operational income				
. Fees	19,379	—	19,379	19,056
. Health and Education Authorities	13,607	661	14,268	13,985
	32,986	661	33,647	33,041
Voluntary income				
. Legacies	—	731	731	757
. Appeals and donations	243	1,179	1,422	1,077
	243	1,910	2,153	1,834
. Charity shops	40	315	355	330
	283	2,225	2,508	2,164
Investment income				
. UK equities	304	3	307	335
. UK fixed interest	157	3	160	252
. UK unit trusts	24	2	26	1
. Overseas equities	5	25	30	1
. Overseas unit trusts	8	—	8	5
. Bank interest	245	73	318	403
	743	106	849	997
Community income				
. Salaries and pensions donated by Sisters	981	—	981	1,009
. Other	35	—	35	36
	1,016	—	1,016	1,045
Rents receivable and other income	265	—	265	261
Gain on sale of fixed assets	15	—	15	4,341
<b>Total incoming resources</b>	<b>35,308</b>	<b>2,992</b>	<b>38,300</b>	<b>41,849</b>

The 1998 gain on the sale of fixed assets relates almost entirely to the sale of St Gabriel's Hospital, Cabinteely, Eire.

## Notes to the accounts 31 March 1999

### 2 Analysis of total resources expended

Expenditure	Staff costs £'000	Depreciation £'000	Premises £'000	Supplies & services £'000	Other costs £'000	Total 1999 £'000	Total 1998 £'000
Functional costs							
Hospitals	14,101	1,812	1,089	6,774	327	24,103	23,952
Homes	2,930	198	317	584	22	4,051	3,634
Hospices	1,477	122	12	251	77	1,939	1,806
Schools	2,515	79	139	407	36	3,176	4,021
Support of members of the Congregation	115	65	101	499	539	1,319	1,408
Support of members Worldwide	—	—	—	23	—	23	133
Grants and donations	—	—	—	—	281	281	3,409
Transfers to other organisations	—	—	2,683	—	—	2,683	—
	21,138	2,276	4,341	8,538	1,282	37,575	38,363
Fundraising and publicity	345	38	63	324	—	770	715
Management and administration of the charity	—	—	23	360	32	415	538
	21,483	2,314	4,427	9,222	1,314	38,760	39,616
1998	21,696	2,398	2,175	8,933	4,414	39,616	

Support of members of the Congregation for 1998 includes the costs of exceptional repairs and refurbishments to the convents, carried out during last year.

Grants and donations comprise amounts payable to:

	1999 £'000	1998 £'000
Archdiocese of Armagh	—	1,320
St Philomena's Carshalton Charitable Trust Limited	118	1,000
Holy Cross College, Bury	163	1,000
Archdiocese of Dublin	—	50
Donations	—	39
	281	3,409

St Philomena's Carshalton Charitable Trust Limited

This grant was made to meet the costs of repairs and maintenance at St Philomena's School, Carshalton.

Holy Cross College, Bury

This is based on notional interest on the original grant made to meet the cost of a new learning resources centre at the college.



## Notes to the accounts 31 March 1999

### 2 Analysis of total resources expended (continued)

The transfers to other organisations are explained in note 19.

Included in supplies and services are payments to auditors for audit fees of £84,202 (1998 - £82,023) and for fees other financial services of £115,097 (1998 - £198,075). Auditors' fees are in respect of all auditors used by the charity and represent the audit fees of the Provincial House, the individual houses and the overall accounts of the charity.

### 3 Staff costs and trustees' remuneration

	1999 £'000	1998 £'000
Wages and salaries	19,004	19,156
Social security costs	1,497	1,521
Pension costs	367	343
Other staff related costs	615	676
	<b>21,483</b>	<b>21,696</b>

The trustees are Sisters of the Congregation and, therefore, the costs of their welfare and well-being are met by the charity; this includes travelling and subsistence expenses in the course of carrying out their duties within the charity. The trustees are not remunerated for their work as trustees.

The average number of employees, analysed by function was:

	1999	1998
Direct charitable activity		
· Hospitals	967	977
· Homes	261	233
· Hospices	85	90
· Schools	161	211
	<b>1,474</b>	<b>1,511</b>
Fundraising and publicity	31	26
	<b>1,505</b>	<b>1,537</b>
Full-time	905	994
Part-time	600	543
	<b>1,505</b>	<b>1,537</b>

## Notes to the accounts 31 March 1999

### 3 Staff costs and trustees' remuneration (continued)

The number of employees who earned £40,000 per annum or more (including benefits) during the year was as follows:

£40,000 - £50,000	8	7
£50,001 - £60,000	—	2
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	2	2

At 31 March 1999, the charity had 108 Sisters (1998 - 112) and their charitable activities were supported by approximately 450 full time and part-time volunteers.

### 4 Taxation

The charity is registered and therefore is not liable to income tax or capital gains tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

It does, however, suffer VAT which is included with the expenditure to which it relates.

## Notes to the accounts 31 March 1999

### 5 Tangible fixed assets

	Leasehold property £'000	Freehold land and buildings £'000	Computer equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 1998	66	45,892	12,466	443	<b>58,867</b>
Additions	13	4,290	1,018	71	<b>5,392</b>
Disposals	—	(67)	(56)	(17)	<b>(140)</b>
Transfers to other organisations	—	(1,405)	(2,508)	(81)	<b>(3,994)</b>
Revaluation	—	66	—	—	<b>66</b>
At 31 March 1999	<b>79</b>	<b>48,776</b>	<b>10,920</b>	<b>416</b>	<b>60,191</b>
At cost	79	1,180	10,920	416	<b>12,595</b>
At valuation - 1999	—	47,596	—	—	<b>47,596</b>
	<b>79</b>	<b>48,776</b>	<b>10,920</b>	<b>416</b>	<b>60,191</b>
<b>Depreciation</b>					
At 1 April 1998	39	4,088	8,923	285	<b>13,335</b>
Charge for year	9	1,151	1,067	87	<b>2,314</b>
Disposals	—	(4)	(51)	(17)	<b>(72)</b>
Transfers to other organisations	—	(7)	(1,876)	(69)	<b>(1,952)</b>
Revaluation	—	(5,198)	—	—	<b>(5,198)</b>
At 31 March 1999	<b>48</b>	<b>30</b>	<b>8,063</b>	<b>286</b>	<b>8,427</b>
<b>Net book value</b>					
At 31 March 1999	<b>31</b>	<b>48,746</b>	<b>2,857</b>	<b>130</b>	<b>51,764</b>
At 31 March 1998	<b>27</b>	<b>41,804</b>	<b>3,543</b>	<b>158</b>	<b>45,532</b>

The net book value at 31 March 1999 represents fixed assets used for the following purposes:

Direct charitable	—	48,670	2,837	130	<b>51,637</b>
Fundraising and publicity	31	76	20	—	<b>127</b>
	<b>31</b>	<b>48,746</b>	<b>2,857</b>	<b>130</b>	<b>51,764</b>

The net book value of assets used for the management and administration of the charity is considered by the trustees to be insignificant.

The valuation of the land and buildings included in these accounts, with the exception of St Michael's Hospital, have been prepared in accordance with the requirements and procedures specified by the Royal Institution of Chartered Surveyors as contained in the Appraisal and Valuation Manual, and by qualified external valuers as defined by the Manual.

## Notes to the accounts 31 March 1999

### 5 Tangible fixed assets (continued)

The date of the valuations in all cases is 31 March 1999.

Freehold land and buildings at St Michael's Hospital were revalued by the trustees on 31 March 1999 based on a valuation performed as part of the arrangement for the transfer of the hospital to the Royal Cornwall Hospitals NHS Trust, which will lease the buildings (see note 19).

The bases of revaluation in all cases were depreciated replacement cost for specialist buildings and existing use value for non specialist buildings.

Included in the valuation of freehold land and buildings is an amount for land at a valuation of £8,810,000.

### 6 Fixed asset investments

	1999 £'000	1998 £'000
<b>Market value of listed investments at 1 April 1998</b>	<b>16,929</b>	13,574
Additions at cost	2,511	4,560
Disposals at opening book value (proceeds: £4,389,000; losses: £206,000)	(4,595)	(3,849)
Net unrealised investment gains	543	2,644
<b>Market value of listed investments at 31 March 1999</b>	<b>15,388</b>	16,929
Cash held by investment managers for investment	886	1,646
	<b>16,274</b>	18,575
 Historical cost of listed investments as at 31 March 1999	 <b>12,325</b>	 12,301
<b>Analysis of listed investments at market value at 31 March 1999:</b>		
UK equities	9,145	11,675
UK fixed interest	2,200	2,852
UK unit trust	—	52
Overseas equities	1,033	1,108
Overseas fixed interest	1,826	1,042
Unit trusts overseas	1,184	200
	<b>15,388</b>	16,929

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

Included in net unrealised investment gains in the statement of financial activities is £136,000 representing exchange movements on deposits held in Irish punts.

Included in the investment portfolio are the following investments, which are in excess of 5% of the value of the portfolio:

	% of portfolio valuation	1999 £
Charinco Distribution Units	11.87	1,826,135
33 KWS Overseas Fund International Unit Trust	11.55	1,776,802
33 KWS Growth and Recovery Incorporated Unit trust	5.74	882,599
AIB Govett Unit Trust UK Ground Equity Trust	8.58	1,321,019

## Notes to the accounts 31 March 1999

### 7 Debtors

	1999 £'000	1998 £'000
Amounts recoverable within one year		
Operational debtors	3,707	2,805
Other debtors	216	306
Prepayments	357	349
	<b>4,280</b>	<b>3,460</b>

### 8 Creditors: amounts falling due within one year

	1999 £'000	1998 £'000
Bank loans (see note 9)	48	35
Bank overdrafts	757	647
Income received in advance	188	299
Medium term grant from Cornwall and Isles of Scilly Health Authority	—	831
Operational creditors	1,233	1,038
Social security and other taxes	450	470
Sundry creditors and accruals	1,833	1,110
	<b>4,509</b>	<b>4,430</b>
Amount due to non-aggregated activities		
. Holy Cross College (see page 18)	592	1,031
. Archdiocese of Dublin	—	50
	<b>592</b>	<b>1,081</b>
	<b>5,101</b>	<b>5,511</b>

### 9 Creditors: amounts falling due after more than one year

	1999 £'000	1998 £'000
Bank loans	198	246
Medium term grant from Cornwall and Isles of Scilly Health Authority	—	500
	<b>198</b>	<b>746</b>

The contract with the Health Authority was terminated on 31 March 1999, as part of the transfer arrangements explained in note 19.

The bank loans were provided by the National Westminster Bank plc to finance the building of staff and classroom accommodation at St Elizabeth's Centre. The interest rates of the loans are between 10% p.a. and 11% p.a.. The loans will be fully repaid between the years 2002 and 2017 at the current rate of monthly instalments.

## Notes to the accounts 31 March 1999

### 10 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes:

	Hospice fixed asset fund £'000	Other			Total £'000
		Hospice General funds £'000	Development funds £'000	Sundry funds £'000	
At 1 April 1998	1,941	1,707	1,298	451	5,397
Net (outgoing) incoming resources before transfers	(1,523)	(476)	76	4	(1,919)
Transfer between restricted funds	958	(958)	—	—	—
Transfer restricted/designated	—	—	(11)	(89)	(100)
Transfer restricted/general	—	—	(397)	57	(340)
Gains on investments					
Realised	—	3	—	—	3
Unrealised	—	63	—	13	76
Unrealised gains on revaluation of land and buildings	1,060	—	—	—	1,060
At 31 March 1999	2,436	339	966	436	4,177

Upon completion of capital projects funded by restricted monies, a transfer is made from restricted funds to general fund as the specific purpose of the fund has been fulfilled.

#### ◆ Hospice fixed asset fund

This fund reflects the net book value of tangible fixed assets at the charity's one remaining hospice.

#### ◆ Hospice general funds

The general fund of the hospice, St Raphael's, can only be applied to the benefit of the hospice and is, therefore, restricted.

#### ◆ Development funds

Development funds are those donated to two houses for the redevelopment of buildings and equipment which were unspent at the year end.

#### ◆ Sundry funds

The sundry restricted funds relate to many small funds held by the individual houses and include Sisters' patrimony, restricted legacies and a bursary fund.

The charity's other hospice, St Julia's, has been transferred to Mount Edgcumbe Hospice, details of which are shown in note 19.

## Notes to the accounts 31 March 1999

### 11 Designated funds

	Fixed asset fund £'000	Other				Total £'000
		Sisters' retirement fund £'000	Maintenance and repairs fund £'000	Capital commitments fund £'000	Sundry funds £'000	
At 1 April 1998	43,591	5,500	7,300	4,491	750	61,632
Transfers						
· Restricted/designated	89	—	—	—	11	100
· General/designated	5,648	104	—	(10)	47	5,789
At 31 March 1999	49,328	5,604	7,300	4,481	808	67,521

The designated funds have been set aside out of unrestricted funds by the trustees for specific purposes:

◆ Fixed asset fund

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the properties is therefore not readily realisable and to reflect that, their net book value, excluding that part represented by restricted funds, has been established as a designated fund.

◆ Sisters' retirement fund

Monies earmarked to fund the cost of future maintenance of ageing Sisters who no longer work.

◆ Maintenance and repairs fund

The estimated cost of future long-term maintenance of the charity's buildings in accordance with the plans for them.

◆ Capital commitments fund

Amounts committed as authorised capital works and projects which have been planned and agreed, at 31 March 1999.

◆ Sundry funds

These relate to other designated funds established by the individual houses.

## Notes to the accounts 31 March 1999

### 12 General fund

	£'000	£'000
At 1 April 1998		2,218
Net incoming resources before transfers		1,459
Transfer from restricted funds	340	
Transfer to designated funds	(5,789)	
		(5,449)
		(1,772)
(Losses)/gains on investments:		
· Realised		(209)
· Unrealised		603
Unrealised gains on the revaluation of land and buildings		4,204
At 31 March 1999		2,826

### 13 Analysis of total net assets between funds

	General fund £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
<b>(a) Fund balances at 31 March 1999 are represented by:</b>				
Tangible fixed assets	—	49,328	2,436	51,764
Fixed asset investments	8,593	6,331	1,350	16,274
Other net assets	(5,767)	11,862	391	6,486
<b>Total net assets</b>	<b>2,826</b>	<b>67,521</b>	<b>4,177</b>	<b>74,524</b>
<b>(b) Unrealised gains included above:</b>				
On tangible fixed assets	—	11,225	1,060	12,285
On investment assets	2,502	171	526	3,199
<b>Total unrealised gains at 31 March 1999</b>	<b>2,502</b>	<b>11,396</b>	<b>1,586</b>	<b>15,484</b>
<b>(c) Reconciliation of movements in unrealised gains:</b>				
Unrealised gains at 1 April 1998	2,407	11,907	482	14,796
Deduct in respect of disposals in year	(4,712)	(511)	(32)	(5,255)
	(2,305)	11,396	450	9,541
Net gains arising on revaluation in year	4,807	—	1,136	5,943
<b>Unrealised gains at 31 March 1999</b>	<b>2,502</b>	<b>11,396</b>	<b>1,586</b>	<b>15,484</b>



## Notes to the accounts 31 March 1999

### 14 Pension commitments

A number of the daughter houses operate separate pension schemes, providing pensions under both defined benefits and defined contribution schemes.

The assets of the respective schemes are held independently of the charity's finances.

Details of the major schemes are as follows:

House	Type of Scheme	Administrator	Contributions in year	
			1999 £'000	1998 £'000
St Elizabeth's Centre	Defined benefits	Teachers' Pension Agency	37	36
St Elizabeth's Centre	Defined benefits	The Pensions Trust	117	64
St Anthony's Hospital	Defined contributions	Abbey National Benefit Consultants Limited	151	149
			<b>305</b>	<b>249</b>

There were other contributions to smaller schemes and personal pension plans of employees amounting to £62,000 (1998 - £94,000).

#### Teachers' Pension Agency (TPA)

The Teachers' Superannuation Scheme (TSS) is a statutory, contributory, contracted out, final salary scheme administered by the TPA, an executive agency of the Department for Education and Employment. It is an unfunded scheme.

The pension cost is assessed every five years in accordance with the advice of the government actuary using a prospective benefits valuation method. The latest actuarial valuation of the scheme was as at 31 March 1991. The scheme has been invested notionally in government securities. A gross rate of interest of 8.5% has been assumed as the return on the investment.

The rate of increase in salaries has been assumed to be 6.5% per annum. The value of the assets was £48,192 million, which represented 97.5% of the scheme's liabilities. The government actuary concluded that the deficiency would require supplementary contributions by employers at the rate of 0.5% per annum from 1 April 1998. Employers' contributions were therefore 7.2% of salaries from this date.

## Notes to the accounts 31 March 1999

### 14 Pension commitments (continued)

#### The Pensions Trust

The Pensions Trust is a pension scheme for charities and voluntary organisations, which provides retirement benefits for eligible employees based upon final pensionable salaries. The assets of the scheme are held in a trustee administered fund. The scheme is not a contracted-out scheme.

Contributions payable are determined on the basis of triennial valuations carried out by a qualified actuary and are charged as expenditure so as to spread the costs of pensions over employees' working lives with the charity. The latest valuation of the assets and liabilities of The Pensions Trust was made at 20 September 1993 using the projected unit method. The market value of the fund's assets at valuation date was £632,800 giving rise to an actuarial surplus of £117,800 allowing for expected future increase in earnings.

#### St Anthony's Hospital

St Anthony's Hospital operates a pension scheme providing benefits based on contributions payable under the scheme. The scheme is currently administered by Abbey National Benefit Consultants Limited and the contributions are invested by independent professional advisers.

### 15 Capital commitments

	1999 £'000	1998 £'000
The capital commitments at 31 March 1999 were:		
Contracted but not provided for in the accounts	116	1,021
Authorised but not contracted for	4,365	3,470
	<b>4,481</b>	<b>4,491</b>
These commitments are in respect of the following houses:		
	£'000	£'000
St Anthony's Hospital - restaurant project and imaging project	3,900	1,655
St Elizabeth's Centre - bungalows and multi therapy unit	267	616
Holy Cross Hospital	—	250
St Julia's Hospice	—	1,050
Provincial House - refurbishment of new convent at Stillorgan	314	120
St Wilfrid's	—	250
Mary Immaculate School	—	550
	<b>4,481</b>	<b>4,491</b>

## Notes to the accounts 31 March 1999

### 16 Contingent liabilities

There are potential liabilities to repay various grants received, in the event of a sale of the buildings which were built partly with the grant proceeds or, in some cases, in the event of a breach of the grant agreement.

At 31 March 1999 there is no intention to sell any of the buildings and, in the view of the trustees, any sale or breach of any agreement is unlikely.

### 17 Related party disclosures

#### Sisters

The costs of the welfare and well-being of the Sisters of the Congregation are met by the charity. The trustees, the Provincial Superior and the Provincial Bursar are not remunerated for their work for the charity. Those Sisters who work in the various houses carrying on charitable activities are paid a salary in accordance with the relevant pay scales. These salaries are covenanted to the charity and included as income.

#### Worldwide Congregation

The charity is a member of the worldwide Congregation of the Daughters of the Cross of Liege. Included under Support of Members in the statement of financial activities is a contribution of £22,885 (1998 - £133,000) for the benefit of Sisters outside the English charity.

#### St Philomena's School and St Philomena's Carshalton Charitable Trust Limited

The charity owns the land and buildings occupied by St Philomena's School, Carshalton, and it does not charge rent to the school for occupying the buildings. The school governors are responsible for all income, expenditure, non property assets and liabilities. St Philomena's Carshalton Charitable Trust Limited exists to enhance the educational facilities at St Philomena's School. During the year the charity made a grant of £118,000 to the school for repairs and maintenance (see note 2)

#### Holy Cross College

The charity owns the land and buildings occupied by Holy Cross College, Bury, and it does not charge rent to the college for occupying the buildings. At 31 March 1999 the charity was holding £16,000 (1998 - £31,000) on behalf of the college and owed £576,000 in respect of the £1 million grant it made to the college in 1998. The college governors are responsible for all income, expenditure, non property assets and liabilities.

Relevant information about the financial activities of the college (whose results are not included in these accounts) for the years to 31 July 1999 and 1998 is as follows:

	1999 £'000	1998 £'000
Total income	3,031	2,753
Total expenditure	2,655	2,531
Surplus for the year	376	222
Net assets	694	318

The accounts of the college are being audited and are expected to show an unqualified audit opinion; they will be submitted to the Further Education Funding Council.

## Notes to the accounts 31 March 1999

### 18 Post balance sheet events

There are no material or relevant post balance sheet events except for those detailed in note 19.

### 19 Transfers to other organisations

The trustees, and the trustees of the previous charitable trust, have for some time been considering the future of St Michael's Hospital and St Julia's Hospice in Hayle, Cornwall. The annual running costs of the hospital were funded by the local Health Authority and its management was becoming increasingly linked with that organisation and the strategy for the provision of health care in the region.

Following long and careful discussions with the Health Authority, the trustees felt the time was right to make arrangements to transfer the hospital as a whole, along with Marie Therese House, to the Royal Cornwall Hospitals National Health Service Trust ("RCHT") with effect from 1 July 1999.

The assets of the hospital are subject to a 3 year lease expiring 31 March 2002, at which time the trustees will discuss with RCHT its future. This gives time for RCHT to make decisions on the provision of health care within the region.

The trustees have therefore written down the book value of the assets of St Michael's Hospital, excluding the freehold property, to nil in these accounts.

St Julia's Hospice was linked with the trustees' management of the hospital. The trustees have now considered it appropriate and beneficial for the hospice to be transferred to the charitable company of another hospice in Cornwall, Mount Edgcumbe. With effect from October 1999, the management control and all the assets, including property, have been transferred to Mount Edgcumbe under a 99 year lease at a peppercorn rent, providing the facility is used as a hospice. The costs have been written down to nil in these accounts.

The amounts written out of the accounts at net book value are as follows:

	£'000	£'000
St Michael's Hospital		520
St Julia's Hospice		
. Tangible fixed assets	1,523	
. Other assets	640	
		2,163
		2,683

### 20 Comparative figures

Until 31 March 1998, The Congregation of the Daughters of the Cross of Liege - English Province, operated under a trust deed dated 15 April 1910 and registered under the Charity Number 222289. Under an agreement dated 7 March 1998, all the assets, liabilities and activities were transferred at book value to the new company. The comparative figures shown throughout are those of the charitable trust.