The Congregation of the Sisters of Nazareth Charitable Trust

Annual Report and Audited Accounts

2025 – 2026



Charity Registration Numbers

England and Wales: 228906, Scotland: SC040507

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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham	appointed 7th October 2019 ended 7th October 2025
Sister Teresa Bernadette Fallon	appointed 30th November 2012 ended 7th October2025
Sister Celine Marie Donnelly	
Sister Bernadette McCall	appointed 7th October 2025
Sister Viva Margaret Fidow	appointed 9th November

Officers

Regional Superior – UK Region	Sister Doreen Cunningham appointed 7th October 2019 ended 7th October 2025
Regional Superior – UK Region	Sister Bernadette McCall appointed 7th October 2025

Administrative Details

Principal Office	Larmenier Centre 162 East End Road London N2 0RU
Email:	uk.administration@nazarethcare.com
Website:	www.sistersofnazareth.com
Charity Registration Numbers:	228906 (England and Wales) SCO40507 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 12 sites which provide care for the elderly and young children. There are 49 Sisters who are spread across 8 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". *Peter 1:22*

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

  "Be compassionate as your heavenly Father is compassionate". *Luke 6:36*

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
  "As often as you did it to one of these you did it to me". *Matt 25:40*

- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.

  "Blessed are those who hunger and thirst for they shall be satisfied". *Matt 5:6*

- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.

  "I was a stranger and you welcomed me in". *Matt 25:37*

- **Patience** – Persevering calmly and with understanding and endurance.

  "Blessed are the gentle for they shall possess the earth". *Matt 5.5*

Our Heritage



Victoire Larmenier Foundress of Sisters of Nazareth 1827-1878

The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 34 such houses across its Regions on 31 March 2024. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales and Scotland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

"We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times."

"Whatsoever you do to the least of my people you do to me."
Words of Jesus Christ (1 Matt 25:40)

Message From The Regional Superior

On 7 October 2025, I was appointed by the Superior General and her Council as Regional Superior for the United Kingdom and Ireland. This appointment marked a significant moment in our Congregation's history, as it is the first time that the two Regions have been entrusted to the leadership of one Sister.

As I begin this ministry, I wish to acknowledge with gratitude the outstanding contribution of my predecessors in both the United Kingdom and Ireland. Over the past six years, they have served their respective Regions with dedication, wisdom, and integrity, guiding our Sisters through periods of both challenge and opportunity. Their faithful leadership, commitment to our mission, and care for the members of our Congregation have laid the strong foundations upon which we continue to build.

During the last financial year, the Congregation was blessed to celebrate several significant milestones. Four young women entered the Novitiate, two Sisters made their First Profession, and five Sisters made their Perpetual Profession. We also celebrated the Silver Jubilees of two Sisters, the Diamond Jubilees of three Sisters, and the Platinum Jubilees of two Sisters, representing a combined total of 370 years of devoted service to God and the Congregation.

We also experienced the loss of five Sisters during the year. We give thanks to God for their many years of faithful service and commitment to the Congregation, and we remember them with gratitude and prayer.

In light of the declining number of Sisters in the Region and the Region's ageing profile, a decision was made, following much prayer and careful discernment, to withdraw from the Communities in Crosby and Lancaster. To ensure the continued spiritual support of residents, Nazareth Care Charitable Trust has appointed Pastoral Care Coordinators in both care homes.

Although the withdrawal from the Communities in Crosby and Lancaster was tinged with sadness, it also became a celebration of all that had been achieved and shared over the years. The Masses of Thanksgiving provided an opportunity to reflect on the Sisters' dedicated ministry, cherish treasured memories, and give thanks for the lasting impact they have had on countless lives. The presence of former children, staff, friends, and benefactors transformed these occasions of farewell into joyful celebrations of the Communities' rich legacy and enduring spirit.

Following a change of contractor, refurbishment works at Nazareth House Hammersmith experienced a delay of several months. The project is now back on track, however, and the site is once again bustling with activity as work progresses. We are deeply grateful to our Generalate Team for funding the majority of this significant redevelopment programme. The refurbishment is expected to continue for at least four years, with work being carried out in phases to ensure that the home remains fully operational throughout. In addition, we are working closely with Nazareth Care to explore opportunities to expand care services through the use of former convent accommodation at the Lancaster, Crosby, and Northampton sites.

As the Charity is now aligned with the Religious Life Safeguarding Service (RLSS), the Sisters have participated in a range of safeguarding training programmes provided by the RLSS. The RLSS has also been highly supportive through its ongoing engagement with and communication with the Charity.

The findings of the safeguarding audit conducted by the Catholic Safeguarding Standards Agency (CSSA) were published in May 2025. The audit concluded that the Charity is making firm progress in meeting the

required safeguarding standards. Work continues to implement the recommendations arising from the audit and to strengthen safeguarding practice across the Region.

During the year 2025, designated as the Jubilee Year of Hope by the late Pope Francis, the Sisters participated in a variety of pilgrimages within their local areas. Those who were unable to travel joined spiritually through prayer, uniting themselves with the many pilgrims taking part in the Jubilee celebrations.

In response to the mandate of the General Chapter held in 2024, the Congregation of the Sisters of Nazareth was officially aggregated into the Augustinian family on the Feast of the Holy Family in December 2025. This union creates a close spiritual bond under the Rule of Saint Augustine, centred on the shared motto, "One mind and one heart on the way to God." Despite this affiliation, both congregations remain fully independent and autonomous in their governance and day-to-day operations.

In accordance with Canon Law, a canonical visitation was conducted throughout the Region by the Superior General during the first half of this year, 2026. A canonical visitation is intended to be both pastoral and supervisory, enabling the Superior General to understand how the Region is functioning, support the Sisters, and address any issues affecting the mission or the well-being of the community.

Future Plans

Over the next four years, our focus will be on continuing to implement and embed the five mandates of the 2024 General Chapter, together with the actions identified in the Regional Plan. Through these initiatives, we seek to strengthen our mission, foster hope and renewal, and ensure that the charism of Nazareth continues to flourish in response to the needs of our time.



Sister Bernadette McCall

Regional Superior

Public benefit

The trustees confirm that they have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 when considering the Charity's objectives and activities. All activities relate to the general objectives of the Charity through supporting Sisters and delivering care to the elderly and children, delivered through overseeing and supporting the regions, providing financial contributions, advice and guidance within which the regions operate. In these ways, the Charity is delivering a public benefit.

Risk management

The Charity reviews its risk management framework and agreed that there are five primary categories of risk facing the Charity and the Congregation: Mission, Spirit and Values; Governance; Safeguarding; Financial; Organisational and External Environment risks. In each category, it has agreed how willing it is to take risks to achieve its objectives and how it would endeavour to reduce risks where they are unacceptable to the organisation, its purpose or values.

Within each category, several specific risks and controls were identified that either are in place or could be put in place to reduce those risks. The major risks faced and how they are managed are considered to be:

- A loss of spirit or mission. The risk increases as the number of Sisters in the Congregation decreases and the role of paid staff in management positions increases. There are several programmes available in regions to ensure the mission is well understood and communicated, such as Victoire's Legacy, and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Mass is held each day in most houses. Visits occur from the Superior General, General Councillors and the Congregational Chief Executive to each region and the houses. Alternative arrangements have been introduced in two regions to explore models that can operate with fewer Sisters including some sites operating as satellites with visiting Sisters. These are evaluated on an ongoing basis.

- Governance shortcomings. Governance arrangements ensure that the Charity's Board of Trustees is made up entirely of Sisters who are supported by lay staff and advisors as necessary. In the regions, all boards consist of up to nine trustees, including Sisters. There is a strong set of Constitutions, Directives, Governance Handbook and reporting mechanisms covering all aspects of governance to ensure that the regions administer their operations according to the standards expected by the Congregation.

- Safeguarding incidents either now or in the past. Current safeguarding risks are well managed through comprehensive training and procedures and are more likely to occur in one of the regions, where they directly interact with vulnerable individuals. The impact on the Charity is by association and the consequential impact on its reputation. Historical incidents within the Congregation's past are predominantly addressed nowadays by the Charity including reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks may be covered by insurance.

- Financial failure through a region or the Charity not being able to meet its commitments, such as the repayment of a loan or a building project not being delivered to budget. The shared brand and support mechanisms ensure that if one part of the Congregation struggles, others may step in to support it. Due diligence is undertaken before commitments are made and insurance is taken out where appropriate. There is a process of continual oversight of the financial performance of each region and cash flow forecasting for the Charity to ensure there are sufficient, liquid funds to meet all reasonable eventualities.

- Organisational risks at the Charity include the reputational damage associated with the failure of a service either now or in the past, an over-reliance on key individuals, or the impact of investment or foreign exchange fluctuations. There is an awareness of these risks and contingency plans built in wherever possible to minimise their impact, for example, through the recruitment of skilled individuals, the sharing of information and the use of professional advisors where appropriate to do so. All services in the regions are externally regulated to ensure standards are continually met and/or improved.

- External environment changes have the potential to materially impact the work of the Charity and the Congregation in the UK or overseas through, for example, major changes to funding or legislation concerning the care of the elderly at the end of their lives, the public perception of the Catholic Church, recession or a global health crisis, such as the Covid-19 pandemic.

Trustees' Report
31 March 2026

The Trustees present the report and accounts for the year ended 31 March 2026 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 25 – 29 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

With regard to the full period of review, which extends to December 2027, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 27th such Chapter took place in June 2024. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair from 7 October 2019 until 7 October 2025

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon – from 30 November 2012 until 7 October 2025

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019 and again in 2022. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2019.

Sister Bernadette Teresa McCall - Chair of Trustees from 7 October 2025

As a Sister of Nazareth, I am committed to a life of service, justice, compassion, and care. As a Registered Nurse and Care Manager with experience in Ireland and the UK, I have worked in nursing management, counselling, and for the past sixteen years in formation. On October 7, 2025 I was appointed as Regional Superior to the UK and Ireland.

Guided by my vocation and the principles of servant leadership, I support individuals and teams with empathy, integrity, and professionalism, encouraging others to be the best they can be while promoting dignity and holistic care.

Sister Viva Margaret Mary Fidow – from 9 November 2025

Sister Margaret Mary Fidow holds a Postgraduate Diploma in Management and Leadership from Loughborough University, which has further strengthened her ability to lead with resilience, insight, and a clear sense of purpose. Throughout her ministry, Sister Margaret Mary has ministered in several of our homes across the UK. She has held the role of Local Superior in Bonnyrigg and currently serves as Local Superior in Glasgow. Sister Margaret Mary Fidow was appointed Regional Councillor in November 2025.

Sister Celine Marie Donnelly

Sister Celine Marie Donnelly trained a Registered Nurse in London. She worked as a Nurse and Registered Manager in our various homes. She completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has been in the role of Local Superior in our Lancaster and Cheltenham

houses and is currently superior in our Hammersmith House. She was appointed Regional Councillor to the UK region on 17th October 2022.

Key management personnel

The Trustees consider that they together with the Finance Manager comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees. Renumeration is set in line with externally benchmarked salary bands. This is approved by the trustees and is subject to review.

Statement of Trustees' responsibilities

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

The law applicable to charities in England and Wales/Scotland/Northern Ireland 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 judgments on estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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' have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales and Scotland) comprises of 8 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Throughout the year there is regular contact and communication between each of the communities and the Regional Superior.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then not be sent.
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and
- The Charity has not received any complaints about its fundraising activities.

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

The Charity reviews its risk management framework and agreed that there are five primary categories of risk facing the Charity and the Congregation: Mission, Spirit and Values; Governance; Safeguarding; Financial; Organisational and External Environment risks. In each category, it has agreed how willing it is to take risks to achieve its objectives and how it would endeavour to reduce risks where they are unacceptable to the organisation, its purpose or values.

Within each category, several specific risks and controls were identified that either are in place or could be put in place to reduce those risks. The major risks faced and how they are managed are considered to be:

1. A loss of spirit or mission.

The risk increases as the number of Sisters in the Congregation decreases.

Actions taken to mitigate the risk:
There are several programmes available in the region to ensure the mission is well understood and communicated such as Victoire's Legacy and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Where there is no Community of Sisters on site the sisters continue to make regular visits.

2. Governance shortcomings.

Actions taken to mitigate the risk:

Governance arrangements ensure that the Charity's Board of Trustees is made up entirely of Sisters who are supported by lay staff and advisors as necessary. There is a set of Constitutions, Directives, Governance Handbook and reporting mechanisms covering all aspects of governance to ensure that the regions administer their operations according to the standards expected by the Congregation.

3. Safeguarding incidents either now or in the past.

Proceedings into the historic abuse of children formally in the Congregation's care continue. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in its care and deeply regrets any harm or shortcomings in the care provided. A formal apology has also been issued in Northern Ireland for the mistreatment of those in its children's homes. Our parent charity continues to cooperate with governments, redress boards and survivor organisations to support claimants and potential claimants with access to their records and to provide individual apologies as necessary.

Current safeguarding risks are well managed through comprehensive training and procedures. We are working closely with the Religious Life Safeguarding Service (RLSS). Historical incidents within the Congregation's past are predominantly addressed nowadays by our Parent Charity which includes reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks may be covered by insurance.

4. Financial Failure if the Charity does not receive loan repayments and rent.

Actions taken to mitigate the risk:

- There is a process of continual oversight of the financial performance and cash flow forecasting for the Charity to ensure there are sufficient, liquid funds to meet all reasonable eventualities
- Detailed budgets and plans produced annually
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.

5. Organisational and External Environment

Organisational risks at the Charity include the reputational damage associated with the failure of a service either now or in the past, and an over-reliance on key individuals.

Actions taken to mitigate the risk:
There is an awareness of these risks and contingency plans built in wherever possible to minimise their impact, for example, through the recruitment of skilled individuals, the sharing of information and the use of professional advisors where appropriate to do so. All services in the regions are externally regulated to ensure standards are continually met and/or improved.

External environment changes have the potential to materially impact the work of the Charity and the Congregation, for example, major changes to funding or legislation concerning the care of the elderly at the end of their lives, the public perception of the Catholic Church, cost of living crisis or a global health crisis, such as the Covid-19 pandemic

Financial Review

Income and Expenditure

A summary of the results can be found on page 22 of the attached accounts.

Income was to £2.9 million (2025: £2.7 million) with £1.2 million being generated from donations and legacies.

Expenditure amounted to £2.9 million (2025: £2.8 million).

Financial position

The balance sheet shows total funds of £33.5 million (2025: £33.5 million).

The charity made a surplus of £89,812 for the year, as opposed to a deficit of £101,281 for the previous year. This was mainly due to an increase in donations.

Reserves Policy

Unrestricted funds at 31 March 2026 amounted to £33.3 million and comprised the tangible fixed asset fund and the general fund.

The tangible fixed assets fund totalling £27.8 million, represents the net book value of the Charity's land

and buildings and other tangible fixed assets, less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £5.5 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2026. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2026, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £5.5 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require, taking into account public benefit requirements in decision making.

The Trustees' Report was approved by the Trustees and signed on their behalf by:



Sister Bernadette Teresa McCall
Trustee and Regional Superior

Date approved: 28 October 2026

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2026

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2026 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charity's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charity for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and

performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

Date: 3 November 2026

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2026

	Notes	Unrestricted funds £	Restricted funds £	2026 Total funds £	Unrestricted funds £	Restricted funds £	2025 Total funds £
Income:							
Donations and legacies	1	**811,726**	**359,723**	**1,171,449**	836,379	139,394	975,773
Investment income and interest receivable	2	**184,943**		**184,943**	177,052	—	177,052
Rental income		**1,558,601**		**1,558,601**	1,548,190	—	1,548,190
Other income							
. Miscellaneous income		**31,522**		**31,522**	11,228	—	11,228
Total income		**2,586,792**	**359,723**	**2,946,515**	2,572,849	139,394	2,712,243
Expenditure:							
Charitable activities							
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	**2,508,567**	**359,723**	**2,868,290**	2,617,130	139,394	2,756,524
Donation to NCCT					52,000		52,000
Total expenditure		**2,508,567**	**359,723**	**2,868,290**	2,669,130	139,394	2,808,524
Net (expenditure) income before net loss on investment properties		**78,225**	—	**78,225**	(96,281)	—	(96,281)
Net realised losses on disposal of investment properties			—		(5,000)	—	(5,000)
Loss on revaluation of investment properties			—			—	
Profit/(Loss) on disposal of fixed assets	9	**11,587**		**11,587**	—		—
Net movement in funds	5	**89,812**		**89,812**	(101,281)	—	(101,281)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2025		**33,174,852**	**283,370**	**33,458,222**	33,276,133	283,370	33,559,503
Fund balances carried forward at 31 March 2026	18	**33,264,664**	**283,370**	**33,548,034**	33,174,852	283,370	33,458,222

Balance Sheet

31 March 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	9		**33,627,000**		34,406,774
Investment properties	10		**736,186**		861,186
			34,363,186		35,267,960
Current assets					
Debtors: amounts falling due within one year	12	**167,869**		412,739	
Cash at bank and in hand		**4,164,360**		3,700,180	
		4,332,229		4,112,919	
Current liabilities					
Creditors: amounts falling due within one year	13	**(778,650)**		(1,020,273)	
Net current assets			**3,553,579**		3,092,646
Total assets less current liabilities			**37,916,765**		38,360,606
Debtors: amounts falling due after one year	11		**786,160**		936,160
Creditors: amounts falling due after one year	14		**(5,154,891)**		(5,838,544)
Total net assets			**33,548,034**		33,458,222
The funds of the charity:					
Restricted funds	15		**283,370**		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	**27,803,758**		27,926,945	
. General fund		**5,460,906**		5,247,907	
			33,264,664		33,174,852
			33,548,034		33,458,222

Approved by the Trustees and signed on their behalf by:

Sr Bernadette McCall

Sister Bernadett McCall
Chair of Trustee
Date of approval: 28 October 2026

Statement of cash flows

Year ended 31 March 2026

	Notes	2026 £	2025 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	**1,535,581**	219,708
Cash flow from investing activities:			
Interest and rents from investments		**184,943**	177,052
Proceeds from the disposal of investment properties		**125,000**	245,000
Purchase of tangible fixed assets		**(734,521)**	(265,892)
Proceeds from the disposal of tangible fixed assets		**9,764**	–
Net cash used in investing activities		**(414,814)**	156,160
Cash flow from financing activities:			
Repayments of borrowing		**(656,587)**	(561,808)
Cash inflows from new borrowing			–
Net cash (used in) provided by financing activities		**(656,587)**	(561,808)
Change in cash and cash equivalents in the year		**464,180**	(185,940)
Cash and cash equivalents at 1 April 2025	B	**3,700,180**	3,886,120
Cash and cash equivalents at 31 March 2026	B	**4,164,360**	3,700,180

Analysis of changes in net debt

	As at 1 April 2025	Cashflows	As at 31 March 2026
Cash at bank and in hand	3,700,180	464,180	**4,164,360**
Bank / other loans due within one year	- 641,285	- 27,066	**- 668,351**
Bank / other loans due after more than one year	- 5,838,544	683,653	**- 5,154,891**
	- 2,779,649	1,120,767	**- 1,658,882**

Notes to the statement of cash flows for the year to 31 March 2026

A Reconciliation of net movement in funds to net cash provided by operating activities

	2026 **£**	2025 £
Net movement in funds (as per the statement of financial activities)	**89,812**	(101,281)
Adjustments for:		
Depreciation charge	**1,516,118**	1,594,301
Loss on investments	**—**	5,000
Net (gain) loss on disposal of tangible fixed assets	**(11,587)**	—
Interest and rents from investments	**(184,943)**	(177,052)
Decrease in debtors	**394,870**	65,052
(Decrease)in creditors	**(268,689)**	(1,166,312)
Net cash provided by operating activities	**1,535,581**	219,708

B Analysis of cash and cash equivalents

	2026 **£**	2025 £
Total cash and cash equivalents: Cash at bank and in hand	**4,164,360**	3,700,180

Principal Accounting Policies 31 March 2026

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2026 with comparative information given in respect to the year to 31 March 2025.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (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 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- assessing the value of any impairment required against the value of tangible fixed assets.
- estimating the value of investment properties.
- assessing the probability of the receipt of legacy income.
- determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- determining the value of designated funds needed at year end.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

With regard to the full period of review, December 2027, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Income recognition

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations and legacies, investment income and interest receivable, rental income, charges for residential and care services and other income.

Donations are accounted for when the conditions of receipt are met, it is probably the amounts will be received and the amount receivable can be reliability estimated.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity. Legacies are treated as restricted income in the statement of financial activities where they are restricted to the community that receives them.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably

by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.
  In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of

these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2026

1. Donations and Legacies

	Unrestricted funds £	**Restricted funds £**	**Total 2026 £**	Unrestricted funds £	Restricted funds £	Total 2025 £
Legacies	—	**1,101**	**1,101**	—	31,703	31,703
Covenanted salaries and pensions of individual religious	**473,326**	—	**473,326**	482,379	—	482,379
Covenanted stipends received by individual religious	**338,400**	—	**338,400**	354,000	—	354,000
Other donations	—	**358,622**	**358,622**	—	107,691	107,691
Total funds	**811,726**	**359,723**	**1,171,449**	836,379	139,394	975,773

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

£	**Unrestricted funds**	**Restricted funds £**	**Total 2026 £**	Unrestricted funds £	Restricted funds £	Total 2025 £
Income from rental properties	**180,171**	**—**	**180,171**	170,561	—	170,561
Bank interest	**4,772**	**—**	**4,772**	6,491	—	6,491
Total funds	**184,943**	**—**	**184,943**	177,052	—	177,052

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds £	**Restricted funds £**	**Total 2026 £**	Unrestricted funds £	Restricted funds £	Total 2025 £
Staff costs	**83,727**	**—**	**83,727**	91,121	—	91,121
Premises	**191,095**	**35,972**	**227,067**	245,060	13,939	258,999
Care and welfare	**700,588**	**323,751**	**1,024,339**	1,060,139	125,455	1,185,594
Management and administration of the Care Homes	**107,639**	**—**	**107,639**	206,294	—	206,294
Depreciation	**1,516,118**	**—**	**1,516,118**	1,594,301	—	1,594,301
Provision for Doubtful Debts	**(120,000)**	**—**	**(120,000)**	(608,345)	—	(608,345)
Governance costs (note 4)	**29,400**	**—**	**29,400**	28,560	—	28,560
Total funds	**2,508,567**	**359,723**	**2,868,290**	2,617,130	139,394	2,756,524

The costs of providing residential and care services include the living and personal expenses of individual Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds £	**Restricted funds £**	**Total 2026 £**	Unrestricted funds £	Restricted funds £	Total 2025 £
Audit and accountancy services	**29,400**	—	**29,400**	28,560	—	28,560
Total	**29,400**	—	**29,400**	28,560	—	28,560

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2026 £	Total 2025 £
Staff costs (note 6)	**83,727**	91,121
Auditor's remuneration and audit costs, net of VAT		
Statutory audit	**24,500**	23,800
Depreciation	**1,516,118**	1,594,301

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2026 £	2025 £
Wages and salaries	**76,470**	76,470
Social security costs	**1,139**	8,533
Other pension costs	**6,118**	6,118
	83,727	91,121
Payments to agency staff	—	—
	83,727	91,121
Staff costs per function were as follows:		
Management	**83,727**	91,121

There was one employee (2025 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2026 Number	2025 Number
£60,000 - £70,000	—	—
£70,001 - £80,000	1	1

The average number of employees during the year was:

	Total 2026	Total 2025
Management	**1**	**1**

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Trustees and the Finance Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £83,727 (2025 - £91,121).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2025- £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £30,450.90 (2025 - £29,971).

8. Taxation

As a registered charity The Congregation of the Sisters of Nazareth Charitable Trust is potentially exempt from taxation of income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	**Total £**
Cost					
At 1 April 2025	56,512,651	104,500	555,057	246,102	**57,418,310**
Additions	711,522	—		22,999	**734,521**
Disposal		—	(15,694)	(72,389)	**(88,083)**
At 31 March 2026	57,224,173	104,500	539,363	196,712	**56,064,748**
Depreciation and impairment					
At 1 April 2025	22,509,068	25,080	285,330	192,058	**23,011,536**
Charge for year	1,444,153	2,090	50,699	19,176	**1,516,118**
Disposal			(15,694)	(74,212)	**(89,906)**
At 31 March 2026	23,953,221	27,170	320,335	137,022	**24,437,748**
Net book values					
At 31 March 2026	33,270,952	77,330	219,028	59,690	**33,627,000**
At 1 April 2025	34,003,583	79,420	269,727	54,044	**34,406,774**

10. Investment Properties

Market value	**2026 £**	2025 £
At 1 April 2025	**861,186**	1,111,186
Additions Valuations were carried out on the investment properties during the year by local firm of estate agents	**—**	—
Disposals	**(125,000)**	(250,000)
Revaluation	**—**	—
At 31 March 2026	**736,186**	861,186

Investment properties are included above at estimated market value and are located within Blackburn Retirement Village and Glasgow Retirement Village.. There are no restrictions on the disposal of the investment properties. Two of the six investment properties at Blackburn incur service charge costs while the other four properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2026 £	2025 £
Amount due from Nazareth Care Charitable Trust (note 21)	**786,160**	936,160

12. Debtors: Amounts Falling Due Within One Year

	2026	2025
	£	£
Charges for care services	**23,808**	34,171
Amount due from The Congregation of the Sisters of Nazareth Generalate (note 21)	—	240,106
Amount due from Nazareth Care Charitable Trust (note 21)	**1,548,845**	1,662,845
Legacy Debtor	—	—
Other debtors	—	401
Provision for Doubtful Debts	**(1,404,784)**	(1,524,784)
	167,869	412,739

13. Creditors: Amounts Falling Due Within One Year

	2026	2025
	£	£
Bank loans	**235,000**	212,934
Other creditors	**6,749**	5,831
Taxes and social security	**1,995**	2,550
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 14 and 21)	**433,351**	428,351
Amount due to Nazareth Care Charitable Trust (note 21)	—	—
Accruals and deferred income	**101,555**	130,501
Amount due to NRV Blackburn Ltd	—	—
Amount due to NRV Management Glasgow Ltd	—	—
Amount due to NRV Development (Plymouth) Limited (note 21)	—	240,106
	778,650	1,020,273

14. Creditors: Amounts Falling Due After One Year

	2026	2025
	£	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	**4,362,251**	4,790,217
Bank loans	**792,640**	1,048,327
	5,154,891	5,838,544

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2026 was £3,338,548 (including interest of £104,424.43).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House

Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. The loan balance at 31 March 2026 was £1,457,054 (2025 – £1,603,094) including interest of £45,961 (2025 – £49,416).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2026 was £454,397 (2025 - £516,635). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2026 was £573,243 (2025 - £744,626).

15. Restricted Funds

	At 1 April 2025 £	**Income £**	**Expenditure £**	**At 31 March 2026 £**
Restricted donations and legacies	—	**359,723**	**(359,723)**	—
Property proceeds under restrictive covenant	**283,370**	—	—	**283,370**
	283,370			**283,370**

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
Restricted donations and legacies	—	139,394	(139,394)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	139,394	(139,394)	283,370

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2026 £	At 31 March 2025 £
Tangible fixed assets		
. At 1 April 2025	**27,926,945**	28,693,548
. Movements in the year	**5,700,055**	5,713,226
. At 31 March 2026	**33,627,000**	34,406,774
Less: Loans to finance refurbishment and development of property	**(5,823,242)**	(6,479,829)
	27,803,758	27,926,945

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Analysis of Net Assets Between Funds

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2026 £
Fund balances at 31 March 2026				
are represented by:				
Tangible fixed assets	—	**33,627,000**	—	**33,627,000**
Investments	—	—	**736,186**	**736,186**
Net current assets	**283,370**	**(668,351)**	**3,938,560**	**3,553,579**
Creditors: amounts falling due after one year	—	**(5,154,891)**	—	**(5,154,891)**
Debtors: amounts falling due after one year			**786,160**	**786,160**
Total net assets	**283,370**	**27,803,758**	**5,460,906**	**33,548,034**

No unrealised gains or losses on investment properties have arisen.

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2025 £
Fund balances at 31 March 2025				
are represented by:				
Tangible fixed assets	—	34,406,774	—	34,406,774
Investments	—	—	861,186	861,186
Net current assets	283,370	(641,285)	3,450,561	3,092,646
Creditors: amounts falling due after one year	—	(5,838,544)	—	(5,838,544)
Debtors: amounts falling due after one year			936,160	936,160
Total net assets	283,370	27,926,945	5,247,907	33,458,222

18. Capital Commitments

At 31 March 2026 the Charity had capital commitments of £nil (2025 - £nil)

19. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.
Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.

In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.
NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.

Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2026 the Charity was owed £nil (2025 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2026 the Charity owed CSNG £4,795,602 (2025 – £5,218,568) (see notes 13 and 14) being a loan of
£3,338,548 for the redevelopment of Nazareth House Glasgow and a loan of
£1,457,054 (2025 – £1,603,094) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2026, the Charity paid £20,000 (2025 – £20,000) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNCT also gave gifts to CSNG worth £7,700 (2025 – £7,700).

In addition, the charity received a donation of £250,000 (2025 – nil) from the Congregation of the Sisters of Nazareth Generalate.

Nazareth Care Charitable Trust (NCCT)

As at March 2026, the Group was owed £nil (2025 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth)

In addition, at 31 March 2026 the Charity was owed £2,334,944 by NCCT (2025 - £2,599,005) being £50,160 (2025 - £74,160) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £24,000 (2025 - £18,000) of which was payable within one year. NCCT owed the

Charity £1,404,784 (2025 - £1,524,845) in unpaid rent.

In addition, the Charity loaned NCCT £1,000,000 in 2023. As at March 2026, the loan balance was £880,000 (2025_£1,000,000).

During the year the Charity donated £nil (2025 - £52,000) to NCCT.

During the year to 31 March 2026, the Charity received management stipend income of £338,400 (2025 – £354,000) and rental income of £1,476,233 (2025 – £1,456,233) from Nazareth Care Charitable Trust. Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £13,281 (2025 - £50,270) in relation to care home fees at the Glasgow and Lancaster communities.

NRV (Blackburn) Limited

At 31 March 2026 the charity owed £nil (2025 - £nil) (see note 13) to NRV (Blackburn) Ltd in relation to outstanding service charge voids.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2026, the Charity owed £nil (2025 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2026 the charity owed £nil (2025 - £nil) (see note 13) to NRV Management (Glasgow) Ltd in relation to outstanding service charge voids.

Other related party transactions

There were no other related party transactions other than those disclosed above (2025 – none).

20. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.