

Trustees Report 2022 & Financial Statements



**The Congregational Leadership
of The Sisters of Mercy**



The Congregational Leadership of The Sisters of Mercy Trustees Report 2022

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INTRODUCTION

The Trustees present their Annual Report together with the Audited Financial Statements of The Congregational Leadership of the Sisters of Mercy (the "Congregational Leadership") for the year ended 31st December 2022. The Trustees of this Charity hold overall responsibility for the life and mission of the Congregation of the Sisters of Mercy. Their role is to guide, inspire, animate and unify the Congregation for Mission. They confirm that the Annual Report and Financial Statements of the Congregational Leadership comply with current best practice, the requirements of the Constitution of The Congregation of the Sisters of Mercy and the provisions of the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" issued in October 2019.

The Story of the Sisters of Mercy

The Congregation of the Sisters of Mercy is an international Roman Catholic Religious Congregation founded in 1831 by Catherine McAuley.

Catherine, influenced by her Christian faith, used her inheritance to set up a centre in Baggot Street from which she and her early companions responded to the needs of people disadvantaged in society.



Catherine knew that providing basic education would help people improve their lives. The Sisters of Mercy also recognized and responded to the need to improve healthcare.

In the years that followed their founding, the Sisters of Mercy established schools and hospitals and cared in whatever way possible for the needs of the people who were poorest.

Throughout Ireland, this outreach continued through the years in more formal settings such as orphanages, industrial schools, group homes as well as in after-care facilities for those who had left their direct care.

The Sisters of Mercy have been engaged in children’s needs and development since the opening of the first House of Mercy in Baggot Street, Dublin in 1827.



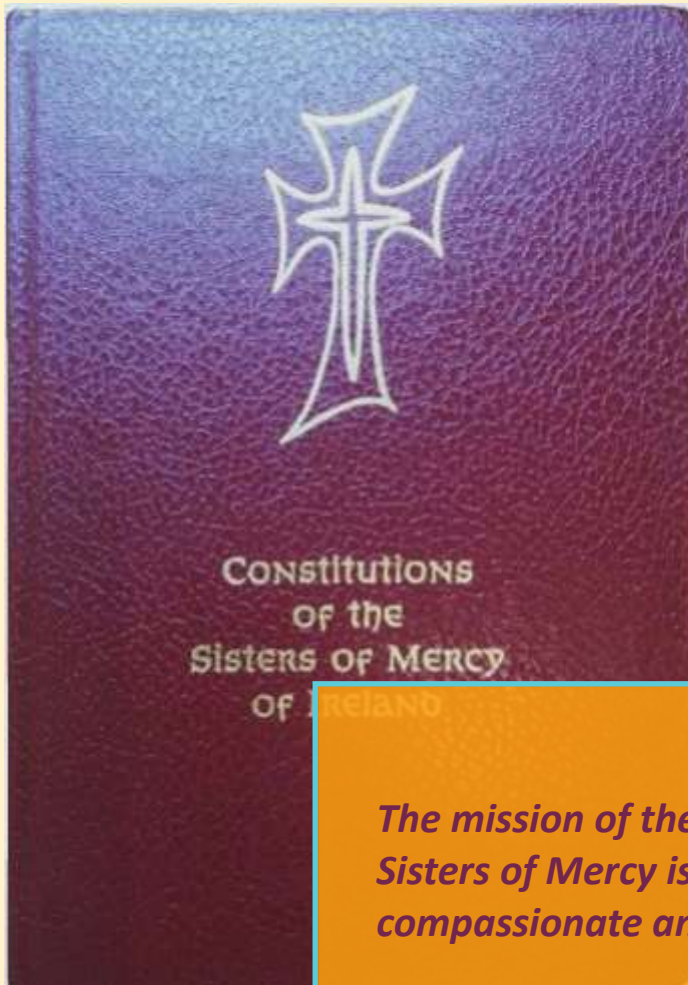
The Sisters were to the fore in social work as it developed and did pioneering work in the area of addiction and social service centres in the past and more recently in the area of care of the earth .

WHERE WE ARE NOW

The Congregation of the Sisters of Mercy (headquarters in Dublin) has six Provinces and one Region; Four of these are in Ireland, one in Kenya, one in South Africa and a Region in the United States. South Central Province has a mission in Brazil. The Southern Province has a mission in Peru.



MISSION



The mission of the Congregation of the Sisters of Mercy is to bear witness to the compassionate and merciful love of God.

“Our administration of temporal goods must express the Gospel call to justice, charity and almsgiving...”

We use these goods for our common life, for the various apostolates of mercy and for the needs of the Church and especially for the poor and deprived.”

Constitutions 104 (1985)

PURPOSE/OBJECTS, ACTIVITIES & ACHIEVEMENTS

Charitable Purpose

- ⊗ **Advancement of Religion**
- ⊗ **Relief of Poverty or Economic hardship including those in need Spiritually as well as Materially**

**We carry out the Objectives/
Purposes of the charity through the
following activities and ministries:**

1. Congregational Living and the advancement of Religion
2. Relief of Poverty, Promotion of Education, Justice and other Charitable Activities
3. Positive Impact Investing
4. Heritage including Archives and upkeep of Listed Assets

CONGREGATIONAL LIVING & THE ADVANCEMENT OF RELIGION

Summary View



ADVANCEMENT OF RELIGION

As the Congregation of the Sisters of Mercy is a Religious Congregation, advancement of Religion is of prime importance to the Trustees. All aspects of the Charity's work involve the advancement of religion. The Trustees continue to assess the Charity's work and to search for appropriate ways of carrying out its mission in today's world in collaboration and partnership with others.

An Extraordinary General Chapter was held in June 2022 in Maynooth College Co. Kildare. The purpose of this gathering was to consider and plan for the future of the Congregation in all areas where the Sisters minister.

FORMATION IN THE CONGREGATION

INITIAL FORMATION

The admission and formation of **new members** to the Congregation is an important aspect of our life and mission. Our Congregational Formation Guidelines *Journeying into Mercy* outlines the pathway to full membership. Initial formation takes place in three stages, **Pre-novitiate, Novitiate** and **Temporary Profession** culminating in **Perpetual Vows**.

In 2022 members of the **Congregational Leadership Team** and **Formation Resource** person visited members in **Ireland** and **Kenya** where initial formation is taking place. The Congregational Resource person supports and animates the Vocation Promoter and Formation personnel both in Ireland and Kenya.



Srs. Marie Louise, Máire Hearty & Brenda Dolphin

In Ireland one member in Temporary Profession made her Final Profession.



Two Postulants being received into the Province by members of the Leadership Team



The Formation Resource Person meeting with Junior Professed Sisters and their Formators in Kenya

FORMATION IN THE CONGREGATION

Sisters throughout the Congregation were invited to participate in an Ongoing Formation Process in response to our Chapter Call 2018:

“We recognise the need to develop a system which embraces both the personal and communal aspects of leadership”

Chapter 2018



Sisters explored their experiences of personal and communal leadership in preparation for the Extraordinary General Chapter in June/July 2022



Questions asked were:

- ◆ What has been your experience of personal leadership?
- ◆ What has been your experience of communal leadership?
- ◆ How would you see leadership into the future?

“I am just after a cluster meeting and we had a very interesting and excellent reflection and listening time together on the 3 questions in relation to Leadership etc. Listening and sharing at this level is at the heart of our unfolding journey. Thank you Miriam and all members of the Pathways team for providing us with these opportunities to converse, listen and share our core values”.

“We saw this process as a way of being involved, informed, consulted and included in the conversations on leadership”.

While Sisters enjoyed the process and recalling their personal life experience with leadership some recalled difficult experiences and the need for personal inner strength to make difficult decisions.

PROMOTION OF THE CAUSE FOR THE CANONISATION of Catherine McAuley

The Mercy Congregation in Ireland has primary responsibility for the **promotion of Catherine McAuley's canonization cause**. This work began in 1903, sixty years after the death of Catherine.

In 2022 there was a constant stream of requests for relics of Venerable Catherine from places as far away from Dublin as the Philippines.

Kristen Jensen from St Augustine Catholic School in Des Moines, Iowa wrote to recall how her son who suffers from two forms of childhood epilepsy was waiting for an EEG in the Hospital and was told that they couldn't accommodate him because the procedure hadn't been confirmed in the internal scheduling system despite being ordered by a neurologist. The technician said they had been working on it all morning, and though he didn't have much hope, they could stay for 15-20 minutes for one final attempt at approval.

Kristen wrote "As he was speaking to me, I kept glancing at the enormous wall mural of Catherine McAuley. Though we'd been there before, I didn't recall seeing it and I was fascinated by the "Venerable" in front of her name. I'd like to say I had some well thought out prayer, but I think all I really felt in that moment was "PLEASE HELP". The gentleman walked away and wasn't even gone for 30 seconds before he came back and said, "I don't know what just happened, but the procedure has just been approved"

In 2022 the translation of all the materials of an **alleged miracle** from English to Italian was completed. The preparation of the "**Summarium**" was finished also as was the collation of all the materials pertaining to the alleged miracle. The Summarium collated and bound was then presented to the **Dicastery for Causes** in Rome. The Cause is now at the "**Revisione**" stage. This means that the competent authority will review the Summarium before the next stage of the process can take place.

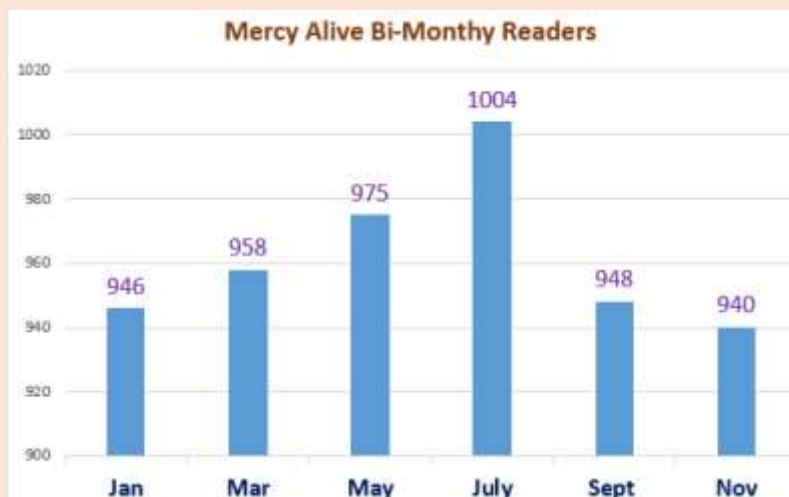


COMMUNICATION FOR MISSION



In 2022 **Congregational Communications** continued its ministry of:

- ☉ Connecting with others
- ☉ Building awareness of critical global issues
- ☉ Offering spiritual reflection
- ☉ Promoting congregational dialogue



Through the **Congregational newsletter Mercy Alive** in 2022, emphasis was given to:

- ☉ The Synodal Church
- ☉ Participation of members through visual presentations on seasonal topics
- ☉ Ecological Concerns
- ☉ Congregational ministries



COMMUNICATION FOR MISSION



A key tool for Communications is the **Mercy Website**.

In 2022 updating of the Congregational Website continued with reference to:

- ⊗ Mapping the Mercy Journey since its beginning in Baggot Street
- ⊗ Coordinating Provincial/Regional information
- ⊗ Updating change of personnel
- ⊗ Building social, cultural, ecological awareness through reflections on:
 - International Days
 - Emerging Global Concerns
 - Mercy Global Presence

Congregational Communications and **Mercy International Association (MIA)**

Congregational Communications liaises with MIA in a collaborative way for the promotion of thematic unity across the Mercy world.

This is done by:

- ✂ Sharing reflections and calendar dates
- ✂ Sharing resources for information, celebrations, collaboration
- ✂ Sharing Zoom meetings for education, formation, spiritual reflection

"I find the website informative and inspiring. I like the variety of topics on the website and different presentations attractive".

Colleen Wilkinson | SAP

"The website connects us with the present story of Mercy throughout the congregation. Colourfully laid out in a user-friendly manner, it is a great resource".

Mabel Marron | NP

RELIEF OF POVERTY, PROMOTION OF EDUCATION, JUSTICE & OTHER CHARITABLE ACTIVITIES

Summary View



Relief of POVERTY,
Promotion of EDUCATION, JUSTICE and other ACTIVITIES
€1,096,169.00

MISSION DEVELOPMENT

Under the umbrella of “**Social Services**” Mercy provides a range of supports:

“M. a staff member retired two years ago from our care group... since leaving us she spends a lot of time visiting where she hears there is a need and welcomes people to her home where they share sorrows and seek solutions.”

“In the elderly home it's good to be able to listen to someone's story and provide a space where they can be heard.”

“I was surprised at the number of people who joined the prison support group and who are themselves now growing in mercy and understanding of people who get caught in crime...”

Who/How We Supported

- Each Day** | 220 homeless given shelter
100 clients accessed referrals advice through our social services department
15 female victims of trafficking/domestic violence given refuge
- Each Week** | 110 elderly care home residents engaged in physical/social activity
- Each Month** | 365 elderly widows benefited twice from nutritional support
1,312 families received food parcels
250 HIV+ clients attended support groups
- Each Quarter** | 907 prison inmates listened to and given toiletries, reading material etc..
250 Alcoholic Anonymous clients counselled

COLLABORATION WITH & SUPPORT OF OTHER CHARITIES/GROUPS

In 2022 The Trustees received numerous requests from other charities and groups. The Charity responded as generously as possible to a range of requests, three of which are documented below.

Donation for Ukraine

On 8th March we sent €10,000 to the CJ Social Centre in Uzhhorod on the Ukrainian border. Below is a quote from their letter:

Quotation

“We are living the fourteenth day of war. The war that destroys and kills, the war that kills humanity and dignity in human hearts...

We are doing our best to relieve the pain experienced by people fleeing the bombardment.

In our CJ Social Centre in Uzhhorod and in our house in Sereдне we receive displaced people. Some of them travel further, seeking safety for their children crossing the Slovak border. We help them to cross the border and direct them to good people we know right away. And some settle here for a longer period of time. We also try to help people with humanitarian aid that we receive from our Sisters in Slovakia via Magis and the Czech Republic, and from the Slovak humanitarian organization Smile as a Gift. We then distribute this humanitarian aid for the Ukrainian soldiers, for the displaced people in our country, and we also move on to where there is a humanitarian crisis.

Thank you for your prayers and also for all the efforts to help us and those most affected by the war” Sisters Kristína, Marietta and Xénia from Uzhhorod



Supplies for Ukraine



COLLABORATION WITH & SUPPORT OF OTHER CHARITIES/GROUPS

Trocaire – DRC

In 2022 we made a substantial donation to Trocaire for their work in DRC, where psychosocial care was offered to 1,087 survivors of sexual violence including 603 adult women, and 469 girls under age of 18. Medical care was provided for 638 (59%) of the identified survivors of gender-based violence. For the socio-economic reintegration of victims of sexual violence, out of a total of 1,087 survivors identified, 225 benefitted from socio-economic reintegration in terms of support for their income generating activities, school reintegration and apprenticeships.

Oxfam

Following three seasons of failed rains in 2022 almost 21 million people in Somalia, Kenya and South Sudan have been left in urgent need of food assistance.

Quotation

Our donation to Oxfam went to Kenya and Mark Mellett (OXFAM) wrote: *“Your donation will act immediately towards saving lives, helping families with cash transfers enabling them to access food with dignity. Your donation will also go towards distributing soap, hygiene kits and clean water to Hospitals”*

FoodCloud

In November 2022 Food Cloud launched their Winter Campaign in response to the country experiencing an increase in demand for food due to factors including the cost of living increases and the impact from the war in Ukraine.

In 2022 FoodCloud redistributed over 4,490 tonnes of food in Ireland, providing an incredible 10.7 million meals equivalent to over 500 community and voluntary groups across the country. This resulted in the avoidance of over 10,400 tonnes of CO2.

Quotation

“One of the organisations FoodCloud was able to support, thanks to your donation, is Friends of the Elderly, whose mission is to help alleviate the poverty of loneliness and isolation experienced by so many older people living in Ireland today. The organisation has relayed that: “Providing food and hygiene hampers for our members ensures that they have the basics they need...” Tara Clarke

ANTI-HUMAN TRAFFICKING



MECPATHS

CHILD TRAFFICKING
KNOW IT | SEE IT | SAY IT

MECPATHS OUT-REACH 2022



Many **Hotels** have taken a proactive approach to counter Child Trafficking by prioritising training for their staff so they can be equipped with the tools to recognise and safely report suspicions of Child Trafficking. MECPATHS continues to work with individual and Hotel Groups to meet their learning needs.



Social workers have a fundamental role to play in the identification of child victims of trafficking. In Ireland, child victims of trafficking are usually referred to the mainstream child protection services by An Garda Síochána and some are identified by the mainstream social work service or the service for unaccompanied minors. The project works in partnership with Tusla and many other Social Work Teams across Ireland to support their education.



The Security Sector has a unique contribution to make to the fight against modern slavery. The nature of the work means that security personnel gain access to restricted areas; they capture evidence and they are especially primed to notice issues around safety and criminality. MECPATHS collaborates with this industry each year to support their vigilance.



The vital connectivity that airlines provide delivers tremendous social and economic benefits. However, it can also be misused by traffickers as a means of transporting victims. Customer-facing employees working in the airport environment including check-in and gate agents, security screeners and cabin crew can be an important source of intelligence when they are able to spot the signs of trafficking. US Border Control engages MECPATHS services to train their Staff and Management.



MECPATHS continued to work with all Hospitality Training Colleges and Universities in Ireland to support their emerging professionals needs alongside working with all Universities in Ireland to deliver training initiatives to students in Social Work, Social Policy and Human Rights Law.

Our Key Achievements in 2022

1746

Frontline Professionals
Educated

752

Emerging Professionals
Educated

616k

Media Reach

8100

Views of Animated Explainer
Video on Child Trafficking

ECO JUSTICE AND LOBBYING



ECO JUSTICE 2022

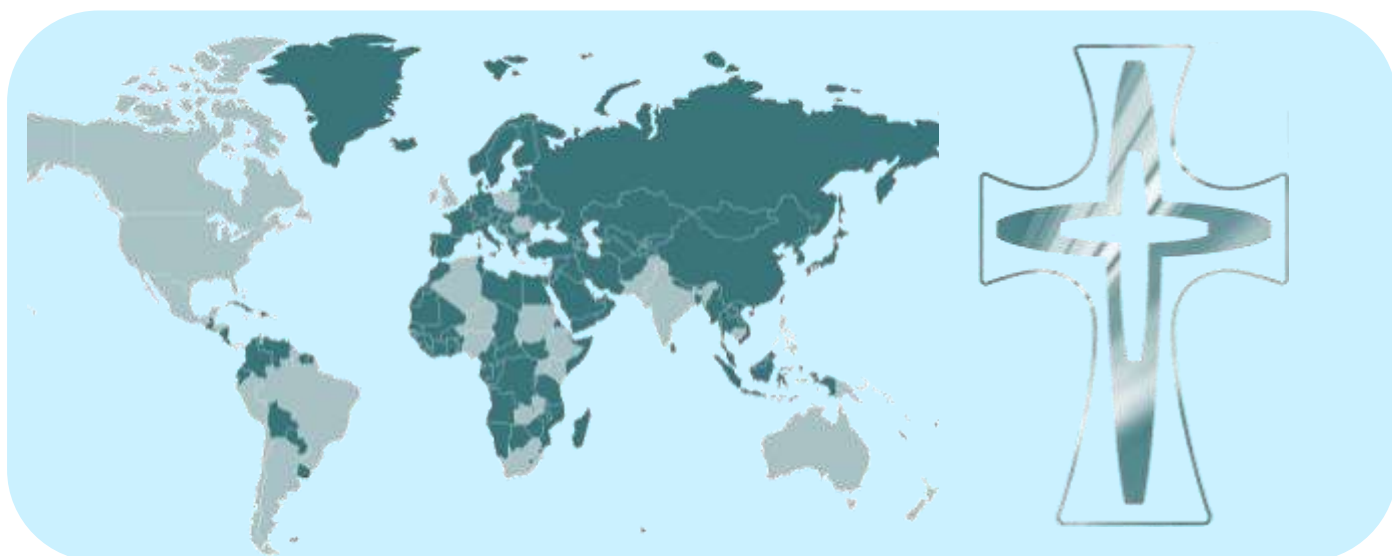
In all of our PROVINCES in Ireland, Africa and our Region in America we are very conscious of and involved with protecting our natural environment at local and world level.

As a registered lobbyist we made submissions in 2022 with **climate action**, opposition to **child labour**, protecting **people who are trafficked** among our main concerns. We called on Ministers attending **COP27** to support the **Fossil Fuel Non-proliferation Treaty** at COP27 UN Nation Climate talks in Egypt. As the **global North** is responsible for 92% of global emissions we asked the Ministers who represented us at COP27 to support calls to help financially those in the Global South and elsewhere who suffer from climate change causing drought, floods and famine.

In February 2022 we asked our elected representatives to work towards **protecting people from exploitation**, in particular people who are trafficked for forced labour and protecting the environment through progressing the **European Corporate Sustainability Due Diligence law**.

We are opposed to **Child Labour, Sweatshops and deforestation** by Corporations and so, in June, we supported EU Member States who were at that time negotiating a new law that could force companies to clean up their act and enable **victims to take action in European Court**.

MERCY INTERNATIONAL ASSOCIATION



In 2022 we continued our collaboration with **Mercy Global Action**. A Sister from our Kenyan Province attended COP27 in Egypt, November 6th to November 9th 2022, as part of the MGA delegation. While in Egypt the MGA members sought to influence people and to consolidate their voices with those of similar minds and also to highlight the **impact of Loss and Damage caused by climate change**.

The Mercy representatives held conversations with various **vulnerable groups** including **women and indigenous people** and joined protests against climate injustices.

While the outcome at COP27 was not the hoped-for success, progress was achieved in efforts to ensure that those most vulnerable to the effects of climate change will benefit from loss and damage financing. Key to achieving real impact will be the commitment of governments to endorsement of a legally binding treaty.

We also contributed to the “**Breaking Boundaries**” document which records the research by MGA on **ministry to migrant people** throughout the Mercy World. The research included the work of Sisters from our Congregation who advocate in different ways for vulnerable people.

This Work Includes:

Teaching English to immigrant people; Social and economic outreach to refugees; Prison ministry; Legal Assistance such as the Mercy Law Centre. We continue to promote the ministry of Advocacy through Prayer, in Mercy Alive and on our website.

POSITIVE IMPACT INVESTING

Summary View

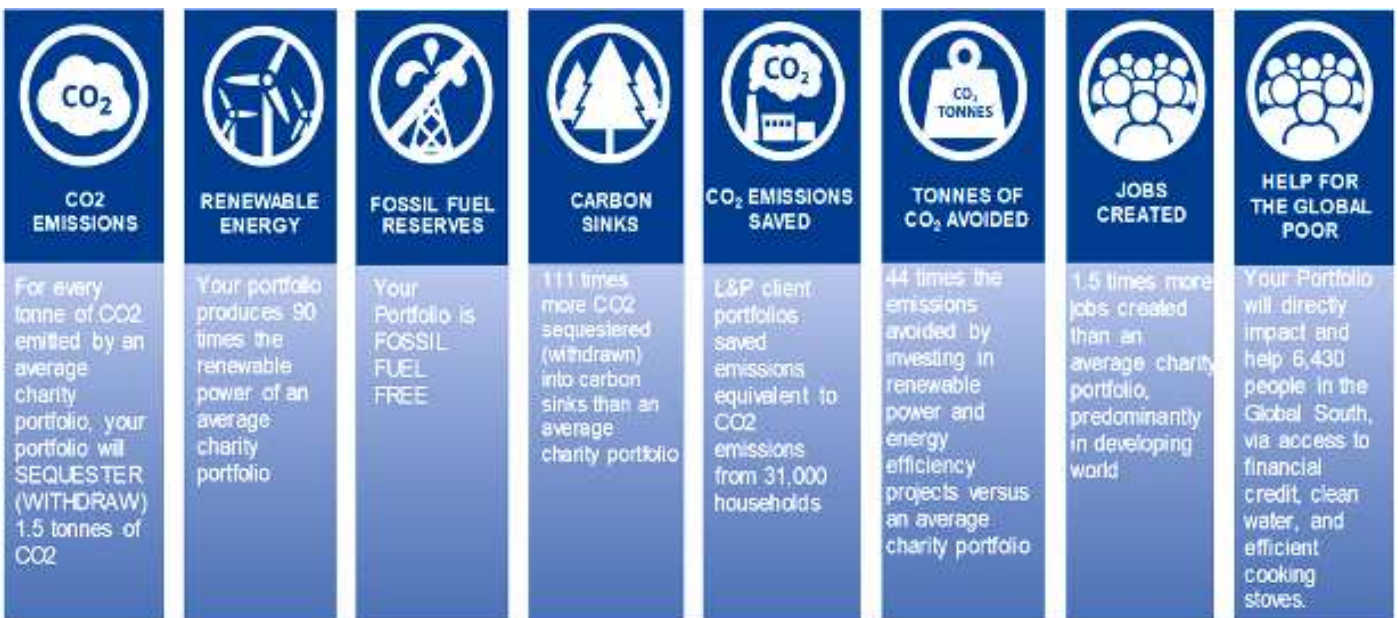


POSITIVE IMPACT INVESTING

We view our investment portfolio as part of our Mission and alongside our active Ministries, we also seek to bring about change through our investment portfolios.

While **avoiding harmful activities** is important, we believe that it is also important to use our investments to **bring about positive change** in the world. We therefore seek to invest in activities that have beneficial impacts, for both individual wellbeing and for the environment.

We assess these positive impacts under a number of headings that we believe are important measures of how our investments are positively affecting the world around us. In the chart below our investment managers have shared with us the positive impacts achieved by the investment portfolio:



The Portfolio and the Sustainable Development Goals (SDGs)

All of the investments within the Portfolio contribute towards the achievement of the Sustainable Development Goals (SDGs). Achieving the SDGs on a global basis requires collaboration between governments, the private sector, civil society and citizens alike. The Portfolio plays a role in the realisation of the goals.

POSITIVE IMPACT INVESTING



Source: UN (<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>)

We outline below some elements of a particularly important area in today's world, that of Environmental Impact, and how the Portfolio addresses the SDGs in this regard.

Environmental Impact

Overall Carbon Footprint



Measurement of carbon emissions is crucial to help us understand the role our investment portfolio plays in the climate crisis, while taking measures to address it. As the SDG logos to the left show, limiting carbon emissions interacts with several SDGs, helping address **Climate Action** in particular. **Climate justice** is another aspect addressed in our portfolio, as climate change predominantly impacts those who've done the least to contribute to pollution and have less resources to deal with it. Therefore, control of carbon emissions in our portfolio also has positive implications for reducing poverty (SDG1), reducing inequality (SDG10) and preserving life on land (SDG15) and in the ocean (SDG14)

POSITIVE IMPACT INVESTING

The Portfolio includes a number of **carbon sink-type investments**, which sequester or draw carbon dioxide (CO₂) from the atmosphere. The Portfolio in aggregate will sequester (withdraw) - **2,927 tonnes of CO₂** from the atmosphere per annum while an unscreened portfolio of the same size would produce 2,570 tonnes.

Fossil Fuel Reserves

This section addresses the level of exposure to companies owning thermal coal, oil gas reserves and other unconventional sources of reserves such as oil sands, shale oil, and shale gas. Many of these reserves may not be useable if we are to keep the targeted temperature rise (as a result of global warming) below 2 degrees Celsius. This risk is referred to as **stranded asset risks** and it is addressed through **avoidance of companies holding fossil fuel reserves**. Hence, in addition to the impact, not holding these assets reduces the financial risk within the portfolio.

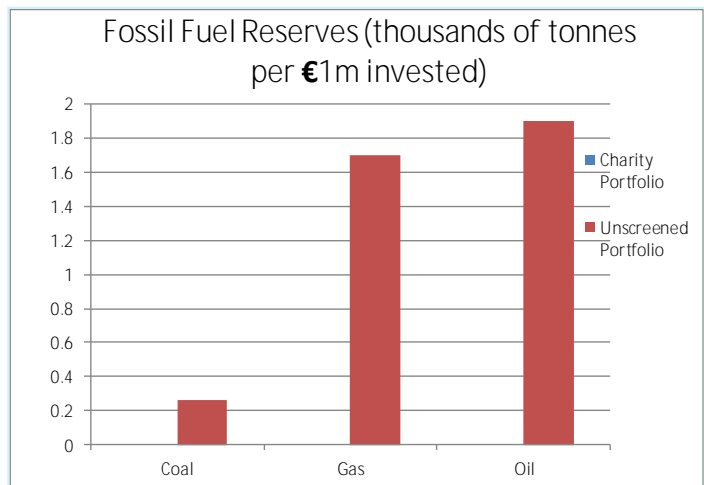


Chart showing our Portfolio holds no fossil fuel reserves (no blue bar)

Renewable Energy

The benefit of **generating renewable power** can be measured by how much fossil fuel power (and resulting CO₂ emissions) it replaces. In 2022, the Portfolio **avoided the release of almost 4,031 tonnes of CO₂**.

This is Equivalent To:

- ◆ *Removing 867 cars from the roads every year*
- ◆ *9,229 barrels of oil saved*
- ◆ *3,343 acres of pine forest absorbing CO₂ for one year*
- ◆ *441 round trips around the world by one typical passenger car (travelling at the equator).*

In terms of renewable energy produced, the Portfolio produced 85 MWh in 2022, enough energy to power 1,492 homes.

HERITAGE INCLUDING ARCHIVES AND LISTED ASSETS

Summary View



Protected Structure/Listed Building

Catherine McAuley Centre, 23 Herbert Street which is owned by the Congregational Leadership of the Sisters of Mercy is a protected structure. This building is listed on the planning authority's Record of Protected Structures (RPS).

MERCY CONGREGATIONAL ARCHIVES DUBLIN (MCA)

Mercy Archives Service comprises Mercy Congregational Archives and six provincial archives, four in Ireland, one each in the Kenya and South Africa provinces and a regional archive in the USA. In 2022, the staff in Mercy Congregational Archives comprised a **full time archivist**, a **volunteer Sister of Mercy**, a **part-time office assistant**, and an **assistant archivist** appointed in August 2022 on a two year contract. Mercy Congregational Archives works in liaison with provincial and regional archivists.

The role of Mercy Archives is to identify, acquire, organise, preserve and make available Congregational records of permanent historical value.

Rev. Mother Dr.	Dr.	Contra	Gr
To amount of contract for building new Convent school	£ 650 0 0	By cash to contractor	£ 500 0 0
• Cash for raising foundation walls 12' high then clean them	9 0 0	• Cash	9 0 0
• To for building concrete walling between blast room & fuel tank	15 0 0	• Cash	200 0 0
• To for lead flashing, D.P.C. & pipes between blast room & chimney	3 8 1	• Cash	20 0 0
• Building boundary wall 10' x 12' in 1/2" brick, rail and 1/2" iron gates to to	16 9 6	• Balance due	107 10 7
	£ 726 10 7		£ 726 10 7



Convent of Mercy and Girls School, Schull, Co. Cork.

I hereby certify that the Contractor as
entered the above amt. £ 726 10 7 (Balance
due)

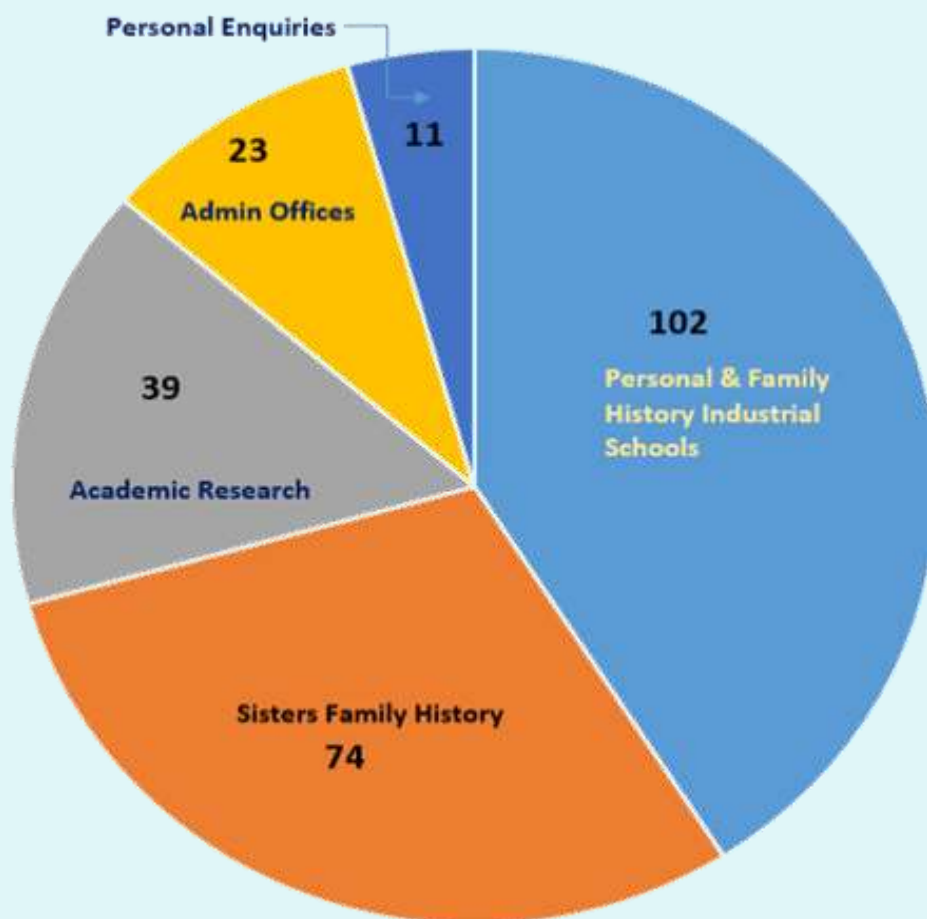
Signed
F. Galvin M.H.

Mercy Congregational Archives manages facilities for the retention, preservation and research use of such records. It also serves as a research facility for the study of the Congregation's history and its role in Irish society. It provides reference services to assist in the Congregation's administration and operations.

MERCY CONGREGATIONAL ARCHIVES DUBLIN

Enquiries and Researchers

249 research requests were received in 2022, the majority of which were remote access enquiries. Areas of enquiry included requests for **personal data, family history, convent history, parish history, Mercy ministry, and educational history.**



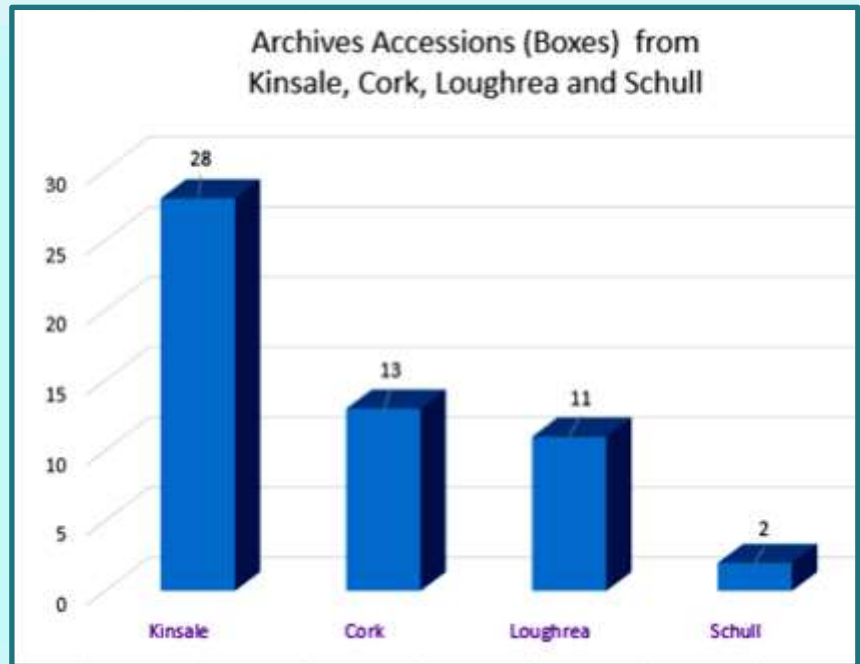
In addition, there were 23 research visits to the Archives. Areas of interest to visiting researchers included the **migration of Irish women religious** to the Anglophone world, **architectural history of convents, correspondence between women religious in the 19th century**, the training of women religious as teachers and the design of schools for children with **special needs.**

Assistance was provided in updating convent histories for the congregational website.

MERCY CONGREGATIONAL ARCHIVES DUBLIN

Accessions

30 accessions were received during 2022 including personal papers, records from communities and from the Congregational office.



Outreach/Meetings/Events

Staff contributed to the congregational newsletter and attended meetings and webinars including DPASSH 2022, the biennial 'Digital Preservation for the Arts, Social Sciences and Humanities' conference. The conference was hosted by Digital Repository of Ireland (DRI) and the topic was Digital Preservations of Religious Collections: Conversations and Collaborations. Mercy Archives is working with local Mercy communities to compile a pictorial record of Mercy cemeteries including, where possible, photographs of individual graves and headstones.

FINANCIAL REVIEW

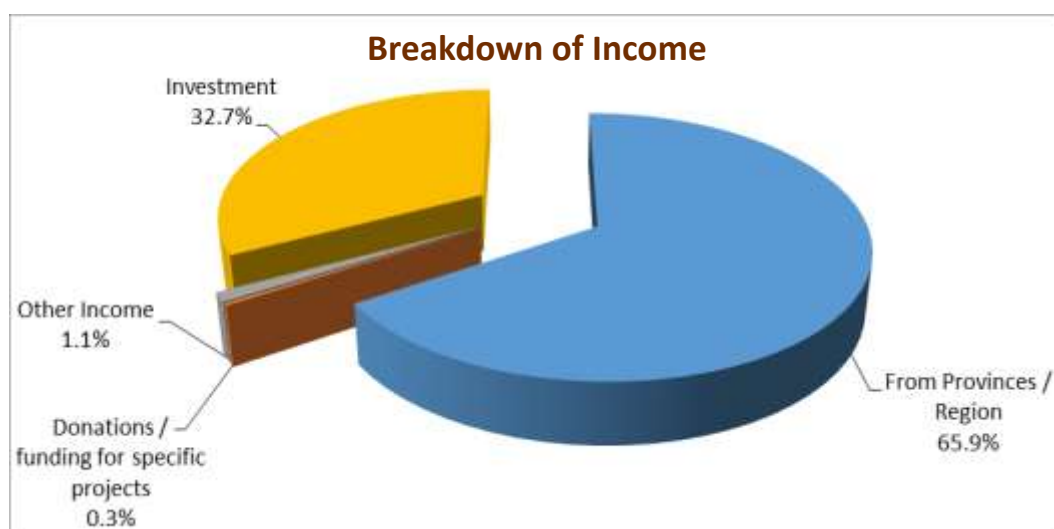
RESULTS FOR THE YEAR

A summary of the year's accounts can be found on page 50 of this report.

Income - Where our Income Came From

Income for the year totalled €1,401,454:

- ◆ Donations & Legacies income of €927,764: was €923,743 in levies and funding received from the Provinces and Region of the Congregation and €4,021 in restricted donations and restricted funding received for specific projects.
- ◆ Investment Income of €457,682: was the income earned on the Charity's investment portfolio and rental income received.
- ◆ Other Income of €16,008: includes the Charity's refund under the VAT Compensation Scheme and other miscellaneous income received during the year.



Expenditure - Where the Money is Spent

Total expenditure for the year was €1,735,364.

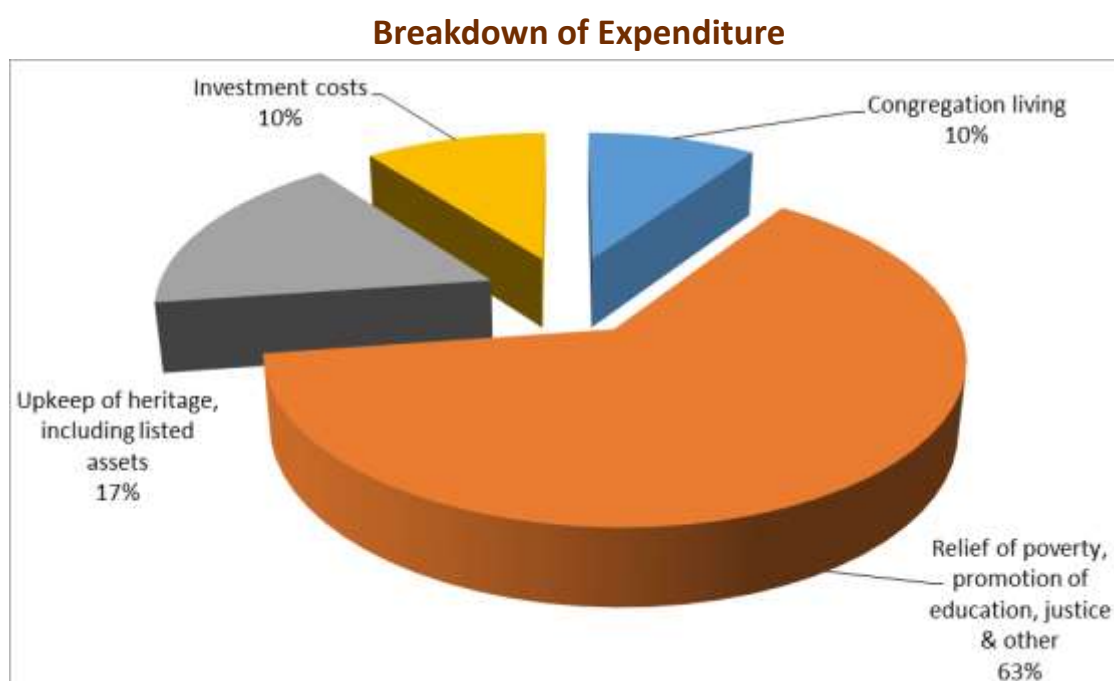
Charitable Activities - of the total, €1,556,206 or 90%, was spent on Charitable Activities:

- ◆ Relief of poverty, promotion of education, justice and other charitable activities, €1,096,169: this includes expenditure on a number of headings outlined earlier in the report, including Mission Development, MECPATHS and Eco Justice and Lobbying.

FINANCIAL REVIEW

- ◆ Upkeep of heritage, including listed assets, €293,932: this includes expenditure on Congregational Archives as referred to earlier in the report. In addition, the Charity owns a protected structure which is listed on the planning authority's Record of Protected Structures (RPS). By including it in the RPS, the importance of this structure is recognised; it is legally protected from harm and all future changes to the structure are controlled and managed through the development control process. The Charity is legally required to make sure that this structure does not become endangered through neglect, decay, damage or harm.
- ◆ Congregational living, the advancement of Religion, €166,105: this includes expenditure on a number of headings outlined earlier in the report such as Promotion of the Cause of Catherine McAuley and Formation. It also includes a depreciation charge of approximately €37,000 as well as the upkeep of the members of the Congregation Leadership Team. The members who receive earned income (salary, pension, stipend, retirement lump sums) donate them to the Congregation and therefore have no independent means of support. Hence the work of the Charity includes the provision of living accommodation and up-skilling/retraining of the members of the Congregation Leadership Team.

Investment costs – in the year, investment costs totalled €179,158.



FINANCIAL REVIEW

Net Movement in Funds

Net expenditure for the year, therefore, was €333,910. This was before the loss on investment assets, which when taken into account results in a net decrease in funds in the year of €1,703,026.

Investments

At 31 December 2022, the Charity had investments of €31.5m. The purpose of these funds is to provide investment income to promote the charitable objectives of the Charity and to provide capital growth in the reserves over the medium term. The objective for the investments is to generate a return of 4% per annum while utilising the charity's stated ethical investment policy. L&P (Cantor Fitzgerald Ireland) act as a Discretionary Investment Manager.

The investment funds have an ethical investment screen; they exclude companies that fall foul of certain ethical criteria, and where possible, favour stocks that provide positive benefits to society. As noted earlier, the Charity also holds a number of Positive Impact Investments that direct money towards fulfilling certain positive ethical criteria. The Trustees, with their investment advisors, review the investments on a regular basis.

Policy on Reserves

At the end of the financial year, the total funds of the charity amounted to €35.4m. Of this, €2.9m is represented by properties and other tangible fixed assets essential for the running of the Charity. The Trustees have designated another €29.8m to provide for Mission and Ministry works and Congregational Living needs. Details are given in note 17 of these Financial Statements. The Trustees will continue to review and reassess these designations on an on-going basis.

Un-designated or general funds amount to €2.6m. This equates to approximately 20 months of unrestricted charitable expenditure. The Trustees consider this reasonable, given the nature of the Charity's work and its commitments.

PLANS FOR FUTURE

The Congregational Leader and Team will continue to give attention to its governance responsibilities as Trustees of the Charity. They will review its needs and spending plans and make every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the charity's aims. At the same time the Charity plans to support the various works of the Congregation.



OBJECTIVES

- ◆ Engage with the Mission and Strategic Direction of the Charity/Congregation and guided by the Congregational Chapter Statement 2018.
- ◆ The Trustees will continue to collaborate with Mercy International Association and Mercy Worldwide in placing Mercy Global Presence at the heart of its vision which was embraced in 2019.
- ◆ The Trustees will continue to explore and encourage new members in vowed religious life and provide ongoing Formation Courses.
- ◆ Continue to manage facilities and staffing for the Archival retention, preservation and research.
- ◆ Continue to identify, appraise, collect, organise and preserve congregational records of permanent historical value and make them available as appropriate.
- ◆ Organise meetings with provinces/region to give clearer focus to mission and ministry on Congregational website.

PLANS FOR FUTURE

- ◆ Work to continue on advancing **Mercy Alive** (the online newsletter of the Congregational Leadership Team) to become a more interactive publication incorporating a wider range of Mercy issues.
- ◆ In the furtherance of the Mercy mission the Trustees will continue to support **MECPATHS** and **eco justice** as they develop their outreach in **accordance with new needs and developments**.
- ◆ The Trustees will prepare for the Congregational Chapter to be held in 2024 to include the appointment of a preparatory committee.
- ◆ Complete Congregational Visitation and share outcomes with the members by ZOOM.
- ◆ Continue to support local and worldwide charities in time of need, in particular victims of war, famine and natural disasters.
- ◆ Continue to work with the wider Congregation to review and update relevant Congregational Policies in particular a) Communications Policy; b) Data Protection Policy; c) Security Guidelines including Data Security, Cyber Security and security of Office Buildings.
- ◆ Update Employee Handbook and provide Staff Training on Mercy Ethos, relevant Congregational and Employees policies.
- ◆ Update Financial Procedures and Policy Manual.
- ◆ Update website policies e.g. Cookies, User Policy and Privacy Statement.
- ◆ Provide further articles and resources on relevant topical issues such as Climate Change and Care of the Earth for the Congregational Website.
- ◆ Mission and Development Coordinator to visit project office and sites in Kenya.
- ◆ Trustees and Stewardship personnel to visit overseas Provinces and Region in preparation for Stewardship reporting to Chapter delegates and membership.

STRUCTURE, GOVERNANCE & MANAGEMENT

Nature of Governing Document

The governing instrument of the Congregation is the **Constitutions of the Sisters of Mercy** which was adopted by the General Chapter of the Congregation in August 1994 and approved by the Congregation for Institutes of Consecrated Life (Rome) in April 1995. The governmental structure of the Congregation of the Sisters of Mercy involves a number of **inter-connected** units, **local, regional, provincial** and **congregational**. The nature of the authority in each unit is described in the Constitutions.

Organisational Structure and Decision Making

The Congregational Leader and members of the Congregational Leadership Team are the Trustees of the Charity. With regard to decision-making the Trustees take responsibility for the overall running of the Charity. Trustees attend formal training courses on the duties of Trustees. They are ultimately responsible for the **life, mission, ministry activities** and **assets** of the Congregation. They meet on a regular basis for strategic planning, organisational development, capacity building, review, updating and decision making.

The Trustees have established a number of resource and advisory groups from among members of the Congregation as well as various professional advisors. The function of these groups is to advise the Trustees on different aspects of Stewardship and the general management of the assets of the Province.

There are **systems of accountability** operational throughout the Congregation. The Congregational Treasurer is appointed by the Congregational Leader with the consent of her team. The **Congregational Treasurer** administers the affairs of the Congregation under the direction of the Congregational leader and her team. **Investments** provide the main source of income for the Congregation.

Trustees meet on a **regular basis** to **review the Charity's Assets and Activities**. When necessary they seek advice from the Charity's Advisors. The Congregation is divided into six Provinces and one Region. Each Province is governed by a Provincial Leadership team elected by the members of the Province and the Regional Leadership team elected by members of the Region.



STRUCTURE, GOVERNANCE & MANAGEMENT

The Trustees visit all areas of the Congregation at least once and more often if required during their term of leadership. The Trustees hold a **Plenary Conference**, when necessary, which is attended by the leadership teams of the entire Congregation. All aspects of the life and mission of the Congregation as well as plans for future mission are discussed and considered during these meetings. The Trustees are in regular contact with the Provincial and Regional Leaders. For effective management, each of the Trustees is designated as a link person to the Provinces and Region. The link person connects with the Provincial and Regional leadership on a regular basis and is constantly updated on the life, mission and ministry activities of the Province and Region.



Congregational | Provincial | Regional Leadership Teams

CONGREGATIONAL POLICIES INCLUDING SAFEGUARDING

The Congregational Leadership Team has the responsibility to ensure that all Congregational **policies and good practice guidelines** are developed, circulated, known and implemented across all areas of the Congregation. During 2022, in the context of an ever-changing society, these policies were regularly reviewed, updated, and/or supplemented, as needed.

In 2022, the policy on ***Mercy Ministries & Projects- Leadership, Management and Succession Planning (2016)*** was emphasized within certain geographical areas of the Congregation where ongoing developments necessitate good planning, governance and oversight. With the help of the Data Compliance Officers, a set of **Security Guidelines** for Congregational offices was finalized and distributed to all employees.



The Congregational International Child Safeguarding Policy, circulated initially in late 2019, continued to be promulgated throughout the Congregation in 2022. Certain identified people with particular responsibilities in the area of safeguarding did relevant professional upskilling and training. All six Provinces and the US Region submitted an annual report to CLT for 2022 confirming their commitment to best practice in this area.

During 2022, the Congregation of the Sisters of Mercy remained committed to a culture of good practice and the promotion of wellbeing, as identified via our Congregational policies, in all areas of life and ministry.

RISK ASSESSMENT AND MANAGEMENT

The Trustees undertake a full risk assessment on an annual basis and monitor progress on a half-yearly basis. This process is supported by the Stewardship Group, who work closely with the Trustees in this area. The Trustees identified the following as being the principal risks to which the Charity is exposed.

GOVERNANCE AND MANAGEMENT

Considers the efficiency of the Trustee body. Risks considered include a lack of planning, a Trustee body which lacks sufficient skills or appropriate decision making procedures. Such risks could include a lack of training/induction or poor stewardship of resources—human, financial and property.

Steps Taken to Mitigate Risk:

- ◇ Adherence to Chapter Statement which inspires and directs the Strategic Plan.
- ◇ By addressing both Annual and Long Term Plans, holding regular Trustee Meetings which include the monitoring of actual performance against these plans.
- ◇ Financial Plans are prepared each year. These are reviewed and agreed by the Trustees.
- ◇ Induction is provided for new Trustees.
- ◇ Trustees attend formal training courses on the duties of Trustees.
- ◇ Trustees seek guidance and advice from their legal, investment and property advisors as required.

FINANCIAL

Considers the financial capacity of the Charity and ensuring it has the available financial resources to continue to carry out its activities both now and in the years ahead. This incorporates the management of the operating (day-to-day) position, capital or building requirements and the returns earned on the Charity's investment portfolios.

Steps Taken to Mitigate Risk:

- ◇ The appointment of an investment advisor who meets with the Trustees/Stewardship Group on a regular basis.
- ◇ The investment objectives are agreed and reviewed quarterly to consider prudence and liquidity criteria, regular and financial reporting against budget and cash flow planning.
- ◇ Investment reports are received and reviewed by the Trustees/Stewardship Group at the end of each quarter.
- ◇ Annual budgets are prepared for review and approval by Trustees. Budgets are reviewed on a quarterly basis and variances noted/explained at Stewardship Group Meetings.

RISK ASSESSMENT AND MANAGEMENT

OPERATION

Considers the way in which the Charity reduces the risk of becoming a victim of a cyber attack or a data breach. The risks considered include malicious cyber activity which may result in loss or corruption of data, preventing unauthorised access to information, including personal information.

Steps Taken to Mitigate Risk:

- ◇ IT Consultant contracted who works with the Office Manager to ensure that computers have the latest software.
- ◇ Passwords are used for emailing sensitive and financial data.
- ◇ In-house staff training which incorporated updated Cyber Security Guidelines
- ◇ External Cyber Security training planned for 2023

METHOD ADOPTED FOR APPOINTMENT & INDUCTION OF NEW LEADERSHIP/TRUSTEES

Every six years, elected members of the Congregation meet at a Congregational Chapter (meeting) with the following objectives;

- ◆ To foster the Mercy charism in accordance with the objectives of the charity
- ◆ To give creative direction to the life and mission of the Congregation
- ◆ To elect a Congregational Leader and Team
- ◆ To reassess the Congregational resources

The most recent Chapter Meeting was held in July 2018 where the present Congregational Team was elected. The next Chapter Meeting will take place in 2024. The Congregational Leader and the Congregational Leadership Team are chosen for their personal qualities, their understanding and experience of the ministries of the Congregation.



The Congregational Leader exercises authority throughout the Congregation, in consultation with the Leadership Team. By virtue of the office they are the Trustees of the Charity. There is a period of induction when new Trustees are appointed - the outgoing Trustees handover all relevant information to the incoming Trustees over the space of a number of months. In addition the newly appointed Trustees undertake trustee training within the first year of taking on their roles. They are also given a full briefing of their responsibilities by the professional advisors to the Congregation.

It is the policy of the Congregational Leadership Team to work in collaboration with the six Provinces and Region, their lay colleagues, statutory and voluntary bodies, other religious congregations and organisations.

REFERENCE AND ADMINISTRATIVE DETAILS



TRUSTEES (Congregational Leadership Team)

Sr. Bernie Ryan, Sr. Helena O'Donoghue, Sr. Marie Louise White, Sr. Anna Burke, Sr. Cáit O'Dwyer. (left to right)

Charity Registered Number	20023843
CHY Number	9527
Principal Office	13/14 Moyle Park Convent Road Clondalkin Dublin 22 D22 HR 94

Accounting Records

The Trustees acknowledge their responsibilities under the Statement of Recorded Practice "Accounting by Charities" (SORP) and their obligations to keep proper books and records for the charity. The books of account of the charity are kept at 13/14 Moyle Park, Convent Road, Clondalkin, Dublin 22.

Disclosure of information to Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that: so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Independent Auditor

The independent auditor, RBK Business Advisers, has indicated their willingness to continue in office.

REFERENCE AND ADMINISTRATIVE DETAILS

Stewardship Group

Sr. Marie Louise White, Congregational Leader
Sr. Bernie Ryan, Leadership Team Member
Ms. Karen Finan, Financial Administrator
Sr. Anne Doyle, Congregational Treasurer
L&P Trustees Services.

Independent Auditor

*RBK Business Advisers, Chartered Accountants
and Statutory Audit Firm*
Chartered Accountants & Registered Auditor
Boole House, Beech Hill Office Campus, Beech Hill Road,
Clonskeagh, Dublin 4, D04 A563.

Bankers

Allied Irish Banks plc
Stephen Court
18-21 St Stephen's Green
Dublin 2

Bank of Ireland
28 Main Street
Blackrock
Co Dublin

Solicitors

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

Financial Advisors Investment Advisors

L & P Trustee Services
Cantor Fitzgerald Ireland
75 St. Stephen's Green
Dublin 2
D02 PR50

Investment Managers

Unigestion SA
State Street Global Advisors Ltd
Setanta Asset Management Ltd

