

**The Congregation
of the Sisters of the Sacred
Hearts (PICPUS)**

**Annual Report and Financial
Statements**

31 December 2022

Charity Registration Number
1133012

Company Registration Number
7003646 (England and Wales)

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Reference and administrative information

Trustees	Sister Aileen Kennedy Sister Joan Geoghegan Sister Mary McCloskey
Superior Delegate	Sister Mary McCloskey
Delegation bursar	Sister Aileen Kennedy
Administrative office	24 Longdown Lane North Ewell Epsom Surrey KT17 3JQ
Charity registration number	1133012
Company registration number	7003646 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court 3 Upper Borough Walls Bath BA1 1RG
Investment managers	Rathbone Unit Trust Management Limited 8 Finsbury Circus London EC2M 7AZ
Bankers	HSBC Bank plc 54 High Street Epsom Surrey KT19 8DS

Trustees' report Year ended 31 December 2022

The trustees present their report together with the financial statements of The Congregation of the Sisters of the Sacred Hearts (PICPUS) (i.e. the charity or the charitable company) for the year ended 31 December 2022.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sacred Hearts and of Perpetual Adoration (the "Congregation") is an international Roman Catholic religious congregation.

The financial statements accompanying this report are the financial statements of the charitable company which has title to the Congregation's assets and liabilities in England and through which the activities of the Congregation in England are accounted for.

Constitution

The Congregation of the Sisters of the Sacred Hearts (PICPUS) is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1133012 and Company Registration Number 7003646 (England and Wales). The charitable company was incorporated on 28 August 2009.

Objectives

The objects of the charitable company are:

- ◆ The relief of poverty and the advancement of religion or education connected with the Roman Catholic religion, in particular, but not limited to, the support of the elderly in England and Ireland; and
- ◆ The advancement of the religious and other charitable works of the Congregation, as the trustees, with the approval of the Superior General, shall from time to time think fit.

Activities, specific objectives and relevant policies

Activities and specific objectives

The activity of the charitable company during the period comprises principally the provision of grants and donations to relieve poverty or promote education or religion connected to the Roman Catholic faith or to support the work of the Congregation and the care of its members.

The charitable company provides financial support for the Congregation's missions throughout the world, either through the Generalate or directly. The missions are under the control of members of the Congregation and the financial support is used to meet the personal and living expenses of the sisters and the costs of their ministry. Funds are transferred only when requested by members of the Congregation working in the missions.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

The trustees receive regular reports and updates from the sisters they are supporting, thus enabling them to be satisfied that the funds are used for the purposes intended. It is the aim of the trustees to provide finance to missions to support education programmes with special emphasis on women in developing countries and to assist with the development of specific mission projects.

In addition to the above, occasional grants and donations are given to other organisations and to individuals to assist in the relief of poverty or in the advancement of religion or education connected with the Roman Catholic religion.

The charitable company continues to incur a small amount of overhead expenditure in England connected to the support of the sisters and their ministry.

In addition, it holds funds which, in due course, will be required to finance the care of members of the Congregation in their advancing years.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the care of the elderly, poor and marginalised in society. In common with many religious congregations, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations becomes minimal. The need for specialised care is increasing with the advancing years of the Congregation's members.

Protection of children and vulnerable adults

Along with all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves. This means that all sisters who were in any kind of ministry in Great Britain during the period had to obtain clearance from the Disclosure and Barring Service. The trustees are committed to the implementation of all the policies and procedures proposed by CSSA (The Catholic Safeguarding Standards Agency) and the Religious Life Safeguarding Service (RLSS).

Grants, donations and support of missionary work and ministry

The trustees' policy throughout the period was to grant aid and give assistance to the materially poor, provided certain criteria were met. These criteria included demonstration of need and that the purpose for which the assistance was sought is within the objects of the charitable company. Where an individual applied for support to undertake education and training, priority was given to those whose training and education was likely to benefit the wider community. Priority was given also to projects or individuals located where the Congregation is engaged, including overseas.

Investment policy

There are no restrictions on the charitable company's power to invest.

During the year the trustees' investments were managed by Rathbones Unit Trust Management Limited. The charitable company's listed investments at 31 December 2022 comprised units in a managed fund and had a market value of £8,327,566 (2021 - £9,289,592). In addition, at that date, the investment managers were holding cash of £1 (2021 - £1).

Activities, specific objectives and relevant policies (continued)

Investment policy (continued)

The investment managers operate within specific guidelines, which are set and are regularly reviewed by the trustees. The trustees' policy throughout the period was to have a balance between income and capital, to maintain the capital value of the investment funds at least in line with inflation, and to pursue a strategy involving limited risk, whilst maintaining their income yield.

There are certain restrictions imposed by the trustees on the investment managers including not investing funds in any company with links to tobacco or armaments, and not committing the trustees to any underwriting and similar obligations.

Cash surplus to immediate requirements is held in bank term deposits.

Review of activities

The following paragraphs outline the main achievements during the year in respect to the support of members of the Congregation and their ministry together with the relief of poverty and advancement of education or religion connected to the Roman Catholic faith.

The trustees have carefully considered the projects they wished to support during 2022. They have continued to focus their plans on support and assistance to projects in Africa and the Philippines where the need of the Congregation's communities is greatest as well as supporting the work of religious communities in Ukraine where lives have been shattered by war.

◆ ***Information on the money received in Congo from the sisters in England/Ireland***

The England/Ireland province has historically had close contact with missionary projects involving personnel from the province or projects which have had involvement with either English or Irish Sacred Hearts in the past. For this reason, the province maintains a close relationship with The Congo, The Philippines, Mozambique, Peru and other countries.

Following a request from the General Chapter, a substantial donation of €40,000 (£34,791) was made to support communities in the Democratic Republic of the Congo.

Catholicism has a major presence in the Democratic Republic of the Congo (DRC). It is part of the worldwide Catholic Church under the spiritual leadership of the Pope in Rome. Of a population of 70,916,439, there are about 35 million Catholics in the country, representing about half of the total population. There are six archdioceses and 41 dioceses. The largest of these is the Archdiocese of Kinshasa; the Vicar General of Kinshasa, Auxiliary Bishop Daniel Nlandu Mayi, is an ordinary member of the Pontifical Academy For Life.

The impact of the Catholic Church in the DRC is difficult to overestimate. Schatzberg has called it the country's "only truly national institution apart from the state". Besides involving more than 50% of the population in its religious services, its schools have educated over 60% of the nation's primary school students and more than 40% of its secondary students. The church owns and manages an extensive network of hospitals, schools, and clinics, as well as many diocesan economic enterprises, including farms, ranches, stores, and artisans' shops.

The Democratic Republic of the Congo's education system itself is plagued by low coverage and poor quality. 3.5 million children of primary school age are not in school, and of those who do attend, 44% start school late, after the age of six. National data indicate that only 67% of children who enter first grade will complete sixth grade. Of those who reach 6th grade, only 75% will pass the exit exam.

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ *Information on the money received in Congo from the sisters in England/Ireland*

This year the primary focus of the request for support from the DRC was on the novitiate community as can be seen from the translation of their letter below:-

"The sisters received €40,000 - this money was for the life, formation, and health of the sisters.

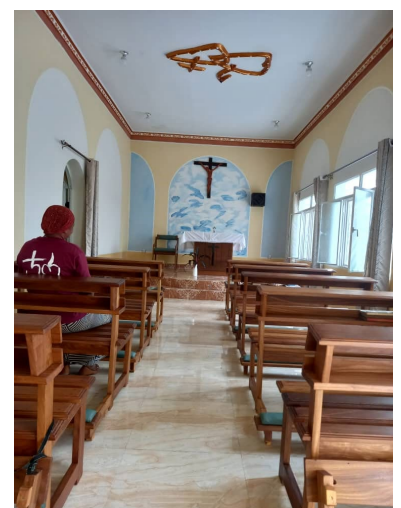
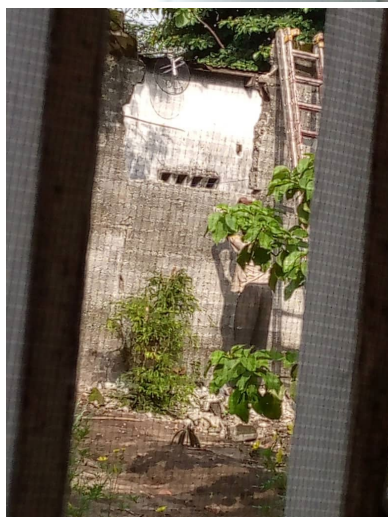
This money was used to buy some furniture for the new novitiate community and for the daily life of the sisters in the new community.

We made some urgent repairs in the territorial house: the repair of the boundary wall and the replacement of the roof in one of the rooms.

We paid the academic fees of the sisters and pre-novices.

In summary, the €40,000 were used for ordinary life and some extraordinary expenses for the territory."

These photos show the work that has been done with the funds:-



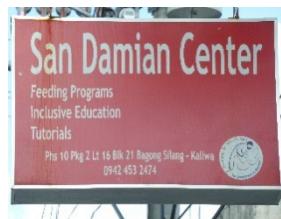
Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ *The Damien Centre in the Philippines*

A second request for a donation was made in respect of The Philippines. This was for €30,000 (£26,813).

The Damien Centre in Bagong is a special place where the poor and marginalised of Bagong may go and find help and support. The sisters here are committed to human promotion through health, food, education, humanitarian aid, and human development. In order to give continuity to the task which was started many years ago, they asked for a contribution of €30.000 in response to the multiple needs of the people with whom they work and support.



Celebration of Eucharist and Distribution of Aid Packages for Families of Pregnant Women and Children



Training with the Elderly to celebrate the anniversary (one year) of the "Aymer Care Center"

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ *The Damien Centre in the Philippines* (continued)



Aymer Care Center Elder Celebration 2022 with Food Delivery



Delivering money for the payment of tuition College students helping their tutor.

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ *The Damien Centre in the Philippines* (continued)



Christmas Gifts



As can be seen from the photographs above, the help and support provided to communities in this part of the world, whilst enjoying great popularity, gives strength to the families and provides much needed education and assistance.

The trustees will continue to support similar projects worldwide over the coming years.

◆ *Mission Fund donations*

In addition to the above donations, funds were given from the charity's designated Mission Fund. This is a special fund from which the sisters choose to support causes that are close to their hearts.

This year with the Ukraine war, the sisters wished to support all those whose lives had been destroyed by the invasion of Ukraine.

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ **Mission Fund donations (continued)**

One of the organisations that was supported with £7,500 was the Redemptorists – the Congregation of the Most Holy Redeemer. Since 1732, the Redemptorists, a congregation of missionary priests, deacons, and brothers, have followed in Jesus' footsteps, preaching the Word and serving the poor and most abandoned. Here is the letter they sent in thanks for the funds that were sent:

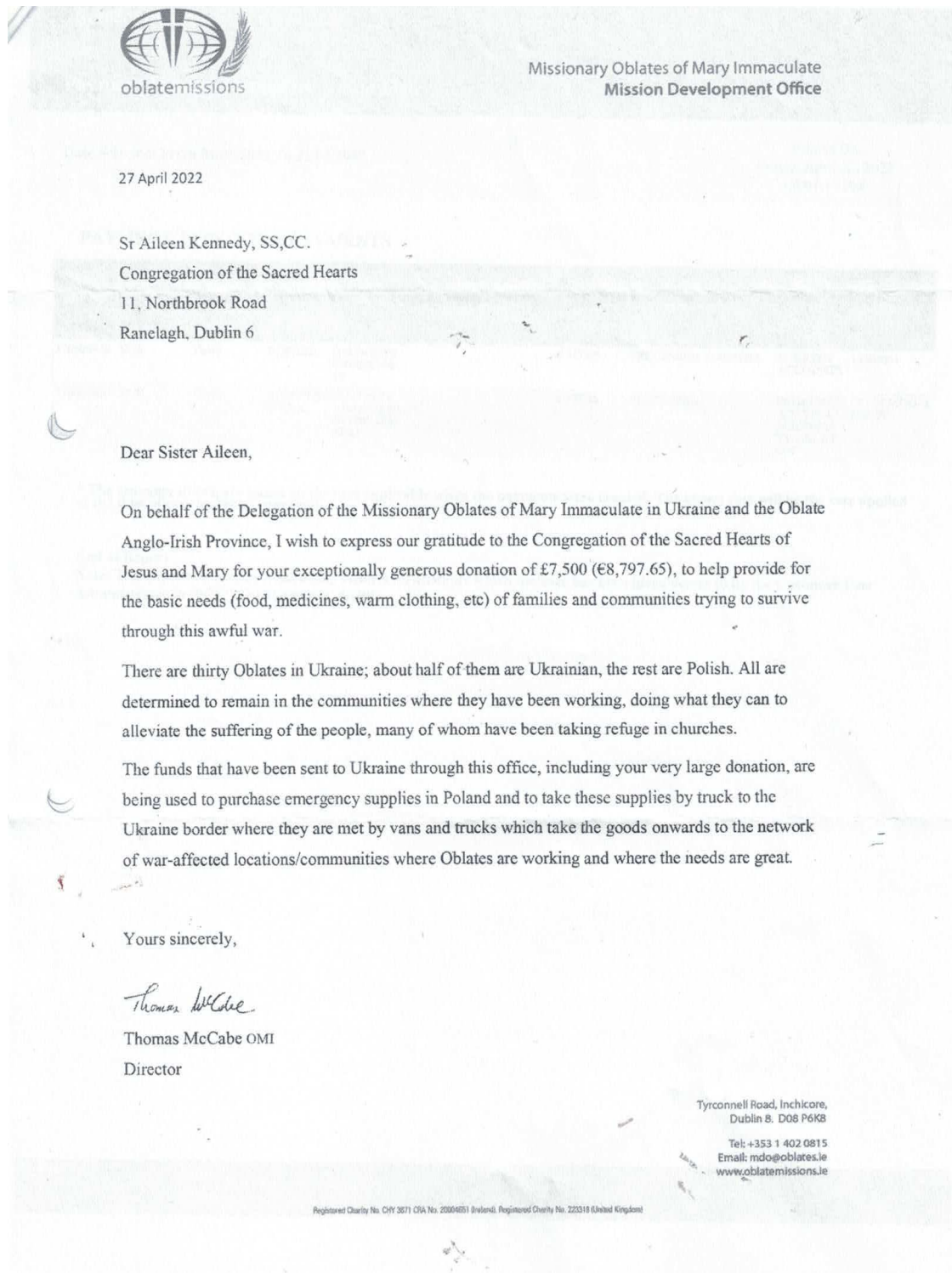


Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ **Mission Fund donations (continued)**

A similar amount was donated through The Mission Fund for the Oblate Fathers. Here is their letter of thanks which gives details of where the funds will be used.



Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

♦ *Support for the older sisters of the Congregation*

The charitable company continues to support the sisters and their ministry. In addition, it holds funds which, in due course, will be required to finance the care of members of the Congregation in their advancing years.

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the care of the elderly, poor and marginalised in society. In common with many religious congregations, the age profile of the members of the Congregation is increasing as existing members grow older and the number of vocations becomes minimal. The need for specialised care, particularly medical, is increasing with the advancing years of the Congregation's members.

During the year, the charitable company transferred £35,000 to Ireland to assist in the support of sisters and the provision of care for sick and older members of the Congregation.

The poem below, written by one of the sisters in Ireland, reflects their view of life in service.

"Leaving"

*To leave the stones unthrown,
To turn the other cheek,
To bear a load an extra mile,
To listen more than speak:
Such are the marks of love,
The testaments of grace,

The daily glimpses of the cross
Christ calls us to embrace.
Not only in extremes,
In moments stark and clear,
In dark-night wrestling long and hard
Or agony severe,

But in some faithful act,
Some scarcely conscious choice,
We find the grace to hear and heed
The bidding of Christ's voice.
New crosses wait each day,
New challenges to meet,
New signposts for the way of life,
New marks of death's defeat:
Yes, be they great or small, Unique or commonplace,
They help us look beyond ourselves
To see and know Christ's face.*

Activities, specific objectives and relevant policies (continued)

Review of activities (continued)

◆ *Support of the work of the Congregation generally*

As in previous years, the largest donation was to the Generalate of the Congregation. This amounted to €70,000 (£61,755) and was to cover all expenses relating to travel, food, secretariat costs and medical expenses, beatification of the Good Mother, and telephone and communications. The Congregation is today present in 33 countries and, in keeping with the initial intuition of the founder, the evangelising mission of the sisters can be carried out in all cultures. The donation has been used to help with the costs of living, health and training the Sisters of the Sacred Hearts worldwide.

Financial review for the year

Income and expenditure

A summary of the year's results can be found on page 24 of this report and financial statements.

The total income for the year was £266,101 (2021 - £227,566) and comprised investment income and interest receivable (2021 – investment income and interest receivable of £227,213) and other income of £353.

The total expenditure for the year was £209,983 (2021 - £204,761). Expenditure on support of members of the Congregation and their ministry together with the relief of poverty and the advancement of education or religion connected with the Roman Catholic faith was £193,004 (2021 - £186,662). During the year the charity gave annual donations to the Congregation's Generalate of £61,755 (2021 - £60,000) to support the work of the Congregation generally; £35,000 (2021 - £26,370) was spent on members of the Congregation who themselves require care and support and further sums of £34,791 and £26,813 were given to two overseas projects of the Congregation. In addition, £15,000 was given to two charities from the Mission Fund in support of their work in Ukraine. Details of these donations and other smaller gifts are given in note 2 to the financial statements and details of the projects are shown above under activities and performance.

During the year the investment managers charged fees which are invoiced and paid directly by the charitable company. Such expenditure on managing the investments of the charitable company during the year to 31 December 2022 was £16,979 (2021 - £18,099).

The net income for the year, therefore, before net investment losses or gains was £56,118 (2021 - net income of £22,805). Investment losses amounted to £1,012,027 (2021 – investment gains of £731,391). The net decrease in funds for the year amounted to £955,909 (2021 – a net increase in funds of £754,196).

The investment managers have invested in accordance with the trustees' investment policy set out earlier in this report and have complied with the ethical guidelines given to them. The charitable company's investments achieved an income yield of 2.85% (2021 - 2.52%) and a capital yield of minus 10.89% (2021 – plus 8.55%). Further details of the investment portfolio are included in note 6 to the attached financial statements.

Financial review for the year (continued)

Performance of listed investments

The trustees believe their investment policy continues to be applied and remains appropriate.

At 31 December 2022, the charitable company's investments comprised units in the Rathbone Active Income and Growth Fund managed by Rathbone Unit Trust Management Limited.

Financial position and reserves policy

The balance sheet shows total funds of £8,527,367 (2021 - £9,483,276).

£5,900,000 (2021 - £5,900,000) has been designated by the trustees to provide for the sisters in their retirement. The fund has been calculated using actuarial principles, whilst having regard to the resources actually available.

£1,000,000 (2021 - £1,000,000) has been designated by the sisters as a Mission Fund, the income of which is used to support non-Congregational projects and other charities, both in the UK and overseas, that respond to the poor and vulnerable in the world at the request of individual members of the Congregation.

Restricted funds amounted to £1,143,338 (2021 - £1,242,869) and represent the Generalate fund, being monies given to the charitable company by the Generalate of The Congregation of the Sisters of the Sacred Hearts and of Perpetual Adoration to be used to finance the overseas missions of the Congregation and the broader work of the Congregation overseas.

Funds which are available as free reserves i.e., those unrestricted funds not designated for specific purposes or otherwise committed, are shown on the balance sheet as general funds and amount to £484,029 (2021 - £1,340,407).

It is the trustees' aim to ensure that sufficient funds are generated to be able to provide a proper level of care for sisters of all ages as they need it, while maintaining support for the active sisters who continue to generate low levels of income in worldwide ministries where support is badly needed. The charitable company is reliant on investment income necessary to meet both current and future requirements. To this end, regular meetings are held to ensure that sufficient funds are generated from the investment portfolio and changes are made to the portfolio as appropriate.

The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be sufficient to generate enough income to cover approximately one year's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments. In particular, at the current time, the reserves need to be sufficient to enable the charitable company to operate in the exceptional macro-economic and geopolitical climate.

At 31 December 2022, the charity's free reserves had been negatively affected by the investment losses incurred during the year. These unrealised losses arose due to the geopolitical and the macroeconomic climate. The charitable company is a long term investor and it is the trustees' opinion that, whilst the charitable company's free reserves at 31 December 2022 are lower than ideal and do not meet the charity's reserves policy set out above, they are sufficient in the short to medium term whilst the charity awaits the stabilisation and recovery of the investment markets.

Fundraising statement

The charitable company aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communication and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charitable company manages its own activities to raise funds and does not employ the services of professional fundraisers. The charitable company undertakes to react and to investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charitable company received no complaints about its activities for raising funds.

Future plans

The trustees have given serious thought to the future plans of the charitable company and their long-term responsibilities. It is their intention to continue to care for the members of the Congregation worldwide, enabling them to carry out their pastoral work and ministry. Focus will be given to assisting and caring for the elderly, the poor, those who have been displaced by external forces and the marginalised, reaching out to as many as they can.

The trustees will continue to work towards the good stewardship of the funds they hold for the present and future beneficiaries.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Council.

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 7003646 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1133012).

The charitable company's members are the trustees of the charitable company. The trustees are appointed in writing by the Superior General of the Congregation taking into account their personal qualities, their understanding and experience of the sisters' ministries.

Trustees

At any one time there shall not be less than three nor more than nine trustees. The following trustees were in office during the year:

Trustee

Sister Aileen Kennedy
Sister Joan Geoghegan
Sister Mary McCloskey

Company secretary

Mrs Jenny Coleman

Governance, structure and management (continued)

Trustees (continued)

No trustee received any remuneration or reimbursed expenses for services as a trustee, nor had any beneficial interest in any contract with the charitable company, during the year.

The trustees are all members of the Congregation and, as such, are closely involved with the day-to-day work of the sisters and directly responsible for all major decisions.

The trustees are ultimately responsible for the policies, activities, and assets of the charitable company. They meet at least twice a year to review developments relating to the charitable company or its activities and to make any important decisions. When necessary, the trustees seek advice and support from the charitable company's professional advisers including investment managers, solicitors and accountants. The day-to-day management of the charitable company's activities, and the implementation of policies, is delegated to appropriate members of the Congregation and to lay consultants and advisers, as necessary.

Liability of the members

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.

Key management

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis.

All trustees are members of the Congregation and whilst occasional travel expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or their work as key management.

Statement of trustees' responsibilities

The trustees (who are also directors of The Congregation of the Sacred Hearts (PICPUS) for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ make judgements and 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 financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims, the trustees have had regard to the general guidance published by the Charity Commission on public benefit.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charitable company currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

Whilst there will be challenges, the current geopolitical and macroeconomic climate is not expected to present threats to the well-being of the charitable company, the members of the Congregation and the ministries of individual members.. The trustees recognise their responsibility for the management of risks faced by the charitable company and will continue to monitor the position.

The trustees continue to review and update their register of risks.

Governance, structure and management (continued)

Risk management (continued)

The areas identified for particular attention within the charity's risk management strategy are:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age was 77 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charitable company has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charitable company donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charitable company's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by a reputable investment manager who adheres to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charitable company's needs – both now and in the future. Given the current macroeconomic and geopolitical climate, the trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charitable company will be able to wait for markets to stabilise and recover over time whilst the trustees keep a watching brief.

Having assessed the major risks to which the charitable company is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charitable company, they have established effective systems to mitigate those risks.

Acknowledgements

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Congregation, volunteers and those who have assisted the charitable company during the period.

Their dedication and positive approach are much appreciated.

Signed on behalf of trustees of The Congregation of the Sacred Hearts (PICPUS), Company Registration No. 7003646 (England and Wales) and Charity Registration No. 1133012

Mary McCloskey
Trustee:

Approved by the trustees on: 22 June 2023

Independent auditor's report to the members of The Congregation of the Sisters of the Sacred Hearts (PICPUS)

We have audited the financial statements of The Congregation of the Sisters of the Sacred Hearts (PICPUS) (the "charitable company") for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2022 and of 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 Companies Act 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 charitable company 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 charitable company'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. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charitable company. These included but were not limited to the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with those charged with governance and review of minutes of trustees' meetings.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

6 July 2023

Statement of financial activities Year to 31 December 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Investments and interest receivable	1	231,298	34,803	266,101	198,153	29,060	227,213
Other income:							
. Miscellaneous income		—	—	—	353	—	353
Total income		231,298	34,803	266,101	198,506	29,060	227,566
Expenditure on:							
Raising funds							
. Investment management fees		14,724	2,255	16,979	15,785	2,314	18,099
Charitable activities							
. Support of members of the Congregation and their ministry together with the relief of poverty and the advancement of education or religion connected with the Roman Catholic faith	2	193,004	—	193,004	186,662	—	186,662
Total expenditure		207,728	2,255	209,983	202,447	2,314	204,761
Net income (expenditure) before net investment (losses) gains	4	23,570	32,548	56,118	(3,941)	26,746	22,805
Net (losses) gains on listed investments	6	(879,948)	(132,079)	(1,012,027)	637,840	93,551	731,391
Net (expenditure) income and net movement in funds		(856,378)	(99,531)	(955,909)	633,899	120,297	754,196
Reconciliation of funds:							
Total funds brought forward at 1 January 2022		8,240,407	1,242,869	9,483,276	7,606,508	1,122,572	8,729,080
Total funds carried forward at 31 December 2022		7,384,029	1,143,338	8,527,367	8,240,407	1,242,869	9,483,276

All activities of the charitable company derived from continuing operations during the above two financial years.

All gains and losses are included in the above statement of financial activities.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Listed investments	6		8,327,567		9,289,593
Current assets					
Debtors	7	135		1	
Cash at bank and in hand		210,257		205,476	
		210,392		205,477	
Liabilities					
Creditors: amounts falling due within one year	8	(10,592)		(11,794)	
Net current assets			199,800		193,683
Total net assets			8,527,367		9,483,276
The funds of the charity:					
Restricted funds	9		1,143,338		1,242,869
Unrestricted funds					
. General fund			484,029		1,340,407
. Designated funds	10		6,900,000		6,900,000
			8,527,367		9,483,276

Approved by the trustees of The Congregation of the Sacred Hearts (PICPUS), Company Registration No. 7003646 (England and Wales) and Charity Registration No. 1133012 and signed on their behalf by:

Aileen Kennedy
Trustee:

Approved by the trustees on: 22 June 2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(211,185)	(202,737)
Cash flows from investing activities:			
Investment income and interest received		265,967	227,213
Purchase of investments		(50,001)	(13)
Proceeds from the disposal of investments		—	81
Net cash provided by investing activities		215,966	227,281
Change in cash and cash equivalents in the year		4,781	24,544
Cash and cash equivalents at 1 January 2022	B	205,477	180,933
Cash and cash equivalents at 31 December 2022	B	210,258	205,477

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(955,909)	754,196
Adjustments for:		
Losses (gains) on listed investments	1,012,027	(731,391)
Investment income and interest receivable	(266,101)	(227,213)
(Decrease) increase in creditors	(1,202)	1,671
Net cash used in operating activities	(211,185)	(202,737)

B Analysis of cash and cash equivalents

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	205,476	4,781	210,257
Cash held by investment managers	1	—	1
Total cash and cash equivalents	205,477	4,781	210,258

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

Principal accounting policies Year to 31 December 2022

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

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022 with comparative figures given for the year to 31 December 2021.

The financial statements 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 financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

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

- ♦ estimating the size of the retirement reserve, created in order to provide for the continuing care of the members in their retirement, the size of the Congregational fund; and
- ♦ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

The trustees will continue to keep both income and expenditure under review. Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charitable company's financial position or going concern. The trustees have concluded that the charitable company will have sufficient resources to meet its liabilities as they fall due.

Assessment of going concern (continued)

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charitable company 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 of investment income, interest receivable and sundry income.

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

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.

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

Resources expended and the basis of apportioning costs

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.

The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such expenditure includes the provision of grants and donations relating, in the main, to the relief of poverty and the promotion of education or religion in connection with the Roman Catholic faith. Donations are made only in cases where the trustees consider there is real need following a review of the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Expenditure on charitable activities also includes the support of members of the Congregation as they grow older and the costs of enabling them to carry out the work of the charitable company in the areas of the advancement of the Roman Catholic faith and the relief of poverty.

Resources expended and the basis of apportioning costs (continued)

All expenditure can be attributed directly to the above and hence there has been no apportionment between headings.

All expenditure is stated inclusive of irrecoverable VAT.

Services provided by members of the Congregation

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

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

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.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects. Details of these are provided in note 10.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. Details of these are provided in note 9.

1 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Investment income						
. UK listed investments	230,168	34,803	264,971	198,138	29,060	227,198
Bank interest	1,130	—	1,130	15	—	15
	231,298	34,803	266,101	198,153	29,060	227,213

2 Expenditure on: Support of members of the Congregation and their ministry together with the relief of poverty and the promotion of education or religion in connection with the Roman Catholic faith

	Unrestricted funds / Total funds	
	2022 £	2021 £
Provision of grants and donations (see below)	174,612	171,641
Support and governance costs (note 3)	18,392	15,021
	193,004	186,662

Grants and donations during the year comprised:

	Unrestricted funds / Total funds	
	2022 £	2021 £
Amounts paid to institutions		
Support of missions and projects of the Congregation overseas		
. Educational support in Kinshasa, Democratic Republic of Congo	34,791	21,854
. Assistance to the community in the Philippines	26,813	—
. Assistance to the community in Mozambique	—	32,896
. Assistance to the community in Bolivia	—	25,918
. Assistance to the community in Calcutta	—	3,446
Support of sisters and the provision of care for the sick and older members of the Congregation in Ireland	35,000	26,370
Contribution to the Congregation's Generalate to support the work of the Congregation generally		
. Annual donation	61,755	60,000
Mission Fund donations: to support charitable work in Ukraine		
. Missionary Oblates of Mary Immaculate	7,500	—
. Congregation of the Most Holy Redeemer – The Redemptorists	7,500	—
Aymer Foundation	1,253	1,157
	174,612	171,641

No donations were paid to individuals during the years to 31 December 2022 and 2021.

3 Support and governance costs

	Unrestricted funds / Total funds	
	2022 £	2021 £
Legal and professional fees	7,468	6,468
Governance costs	5,400	6,420
Trustees' meeting expenses	3,195	562
Other expenses	2,329	1,571
	18,392	15,021

4 Net income (expenditure) before net investment (losses) gains

This is stated after charging:

	2022 £	2021 £
Staff costs	—	—
Auditor's remuneration (including VAT)	—	—
. Statutory audit services: Current year	5,400	6,120
Previous year	—	300

5 Staff costs and key management personnel

The charity does not employ staff and hence has no staff costs (2021 - £nil).

The trustees consider that they 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 occasional travel expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management (2021 - £nil).

6 Investments

	2022 £	2021 £
Listed investments		
Fair (market) value at 1 January 2022	9,289,592	8,558,269
Additions at cost	50,001	13
Disposals at book value		
. Sale proceeds	—	(81)
. Realised losses	—	—
	—	(81)
Net unrealised investment (losses) gains	(1,012,027)	731,391
Fair (market) value at 31 December 2022	8,327,566	9,289,592
Cash held by investment managers for re-investment	1	1
	8,327,567	9,289,593
Cost of listed investments at 31 December 2022	6,448,396	6,398,395

At 31 December 2022 the charitable company's listed investments comprised units in a managed fund – The Rathbone Active Income and Growth Fund – managed by Rathbone Unit Trust Management Limited and dealt in on a recognised stock exchange.

7 Debtors

	2022 £	2021 £
Interest receivable	135	1

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors and accruals	10,592	11,794

9 Restricted funds – The Generalate fund

	2022 £	2021 £
At 1 January 2022	1,242,869	1,122,572
Net movements in year	(99,531)	120,297
At 31 December 2022	1,143,338	1,242,869

The Generalate fund represents monies given by the Generalate of The Congregation of the Sisters of the Sacred Hearts and of Perpetual Adoration to be used to finance the overseas missions of the Congregation and the broader work of the Congregation overseas.

10 Designated funds

The unrestricted funds of the charitable company include the following funds designated for specific purposes:

	At 1 January 2022 £	Designated in the year £	Released/ utilised in the year £	At 31 December 2022 £
Mission fund	1,000,000	15,000	(15,000)	1,000,000
Retirement reserve	5,900,000	—	—	5,900,000
	6,900,000	15,000	(15,000)	6,900,000

	At 1 January 2021 £	Designated in the year £	Released/ utilised in the year £	At 31 December 2021 £
Mission fund	750,000	250,000	—	1,000,000
Retirement reserve	5,460,000	440,000	—	5,900,000
Congregational fund	144,113	—	(144,113)	—
	6,354,113	690,000	(144,113)	6,900,000

♦ Mission fund

The Mission fund represents an amount set aside by the trustees, the income of which is used to support non - Congregational projects and other charities, both in the UK and overseas, that respond to the poor and vulnerable in the world. Such support will be considered following the receipt of a request from individual members of the Congregation.

10 Designated funds (continued)

♦ Retirement reserve

The retirement reserve comprises monies which the trustees have set aside in order to provide for the sisters as they grow older. The amount of the fund is calculated using actuarial principles, whilst having regard to the resources actually available.

♦ Congregational fund

The trustees consented to commit 10% of the charity's funds, based on the valuations of the assets at 31 December 2015, to support the Congregation's Generalate, projects initiated and run by the Congregation, and members of the Congregation who themselves require care and support. This fund, designated for the Congregation during 2017, amounted to £645,980 and was fully utilised in the year to 31 December 2021. This has meant that this commitment had been fully satisfied by 31 December 2021 in accordance with the original agreement.

11 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Investments	321,435	6,900,000	1,106,132	8,327,567
Net current assets	162,594	—	37,206	199,800
Total net assets	484,029	6,900,000	1,143,338	8,527,367
	General funds £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Investments	1,201,298	6,900,000	1,188,295	9,289,593
Net current assets	139,109	—	54,574	193,683
Total net assets	1,340,407	6,900,000	1,242,869	9,483,276

The total unrealised gains at 31 December 2022 and 2021 include net gains on revaluation of listed investments.

	2022 £	2021 £
Total unrealised gains on listed investments at 31 December 2022	1,879,170	2,891,197
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	2,891,197	2,159,827
Less: Gains realised on disposal of listed investments	—	(21)
Net (losses) gains arising on revaluation of listed investments	(1,012,027)	731,391
Total unrealised gains at 31 December 2022	1,879,170	2,891,197

12 Taxation

The Congregation of the Sacred Hearts (PICPUS) is a registered charitable company and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

13 Liability of the members

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.

14 Ultimate control

The charitable company was controlled throughout the period by the company members who are also the trustees.

15 Related party transactions

There were no related party transactions requiring disclosure in the year (2021 - none).