

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

**Annual Report and Financial  
Statements**

31 December 2023

Charity Registration Number  
1133012

Company Registration Number  
07003646 (England and Wales)

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## Reference and administrative information

<b>Trustees</b>	Sister Aileen Kennedy Sister Joan Geoghegan Sister Mary McCloskey
<b>Superior Delegate</b>	Sister Mary McCloskey
<b>Delegation bursar</b>	Sister Aileen Kennedy
<b>Administrative office</b>	24 Longdown Lane North Ewell Epsom Surrey KT17 3JQ
<b>Registered office</b>	c/o Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Charity registration number</b>	1133012
<b>Company registration number</b>	07003646 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Stone King LLP Upper Borough Court 3 Upper Borough Walls Bath BA1 1RG
<b>Investment managers</b>	Rathbone Unit Trust Management Limited 8 Finsbury Circus London EC2M 7AZ

## Reference and administrative information

<b>Bankers</b>	HSBC Bank plc 54 High Street Epsom Surrey KT19 8DS
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## **Trustees' report** Year ended 31 December 2023

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 2023.

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 24 to 27 and comply with the charitable company's Articles of Association, applicable laws 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).

### **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 07003646 (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 2023 comprised units in a managed fund and had a market value of £8,640,564 (2022 – £8,327,566). In addition, at that date, the investment managers were holding cash of £nil (2022 – £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.

In line with Catholic social teaching, as outlined below, and following their Congregational orientations, the trustees participate in the advancement of human dignity, concern for society especially the weakest and poorest, social justice, education for all and human rights.

Some of the documents which highlight Catholic social justice from 1891 to the present day include:- Rerum Novarum 1891; The Second Vatican Council (1962 – 1965) – Gaudium et Spes and Dignitatis Humanae and Pope Francis -Laudato si and Gaudete et Exsultate.

Bearing this in mind, the trustees have carefully considered the projects they wished to support during 2023.

They have continued to focus their plans on support and assistance to projects in the Philippines where the need of their communities is greatest as well as supporting the communities in Turkey and Syria whose lives have been shattered by the earthquake. This year, more attention has been given to supporting the Aymer Foundation, whose purpose is to support and strengthen the apostolic work of the Congregation worldwide.

***Funds given to the Sisters in the Philippines***

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 Philippines, The Congo, Mozambique, Peru and other countries.

Following a request from the General Chapter, a substantial donation of €90,000 (£78,973) was made to support communities in the Philippines. Here is the report from one of the Sisters with a receipt for the funds that were sent.

*"In the Philippines, we have two communities: a Novitiate community which is located at 32 Sct. Torillo Brgy. Sacred Heart Kamuning Quezon City and a mission community which is located at Phase 10A Bagong Silang Caloocan City. It is known as the biggest relocation area in Metro Manila in 1970's and most populous city at present."*

**Activities, specific objectives and relevant policies (continued)**

**Review of activities (continued)**

*Funds given to the Sisters in the Philippines (continued)*

*"Bagong Silang and our formation community are not self-sufficient because of the apostolic work that we do and the requirements of a formation house. We depend on the financial help that we receive from our Sacred Hearts Congregation and are very grateful for the generous donation given from England.*

*Our sisters in Bagong Silang work in the project that we established to help and give support to the poor and marginalized, through health promotion, food, education humanitarian aid and human development. Because the finances are so limited, we receive a very low wage for our work, and we cannot cover the necessary expenditure incurred by the community. These include the sisters' living expenses, maintenance, food, health care, the sister's personal and professional expenses and all unexpected or extraordinary expenses. An extraordinary expense this year has been the purchase of a Hiace car that will be used for our ministry with the people we serve here in Bagong Silang.*

*Our formation community in Quezon City by its very nature is completely reliant on the financial solidarity received from the Congregation.*

*All that is necessary for an apostolic community as outlined for the Bagong Silang community is required for a formation community with the added expenditure for human and spiritual education, which involve courses, retreats, inhouse training by other professionals and any such need as may arise during the year.*

*None of this would be possible without the financial assistance we receive from the Congregation. By providing the finances to have a formation programme and house for young women who wish to join our Congregation. We are able to prepare them for religious life and to become active members of the community and apostolic witnesses to the mission of our Congregation."*

The following photos show how the Sisters work with the local community.

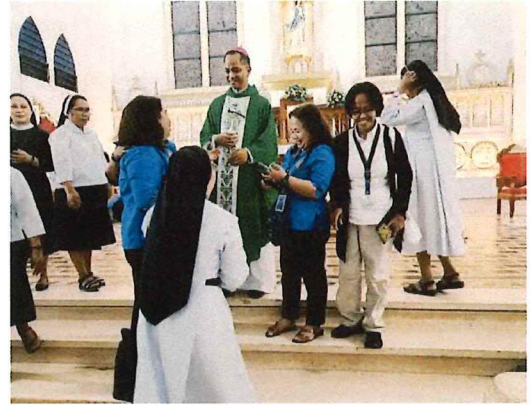




**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

***Funds given to the Sisters in the Philippines (continued)***



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

A smaller donation of €10,000 (£8,791) was sent to Brazil. This help is greatly appreciated by these communities, many of whom have little or no resources, as the letter from one of the Sisters below demonstrates:

*"Health and peace!*

*With this greeting so characteristic of Blessed Eustace, who served our Brazilian people with zeal, we express our sincere wishes to each one of you for your generosity and commitment to life and mission of the Congregation.*

*We thank you for your contribution of solidarity received on 04/07/2023 in the amount of 10 thousand Euros (ten thousand euros), corresponding to R\$ 50.205,00 in local currency. Thanks to this, we were able to cover part of our local expenses for the life and mission in Brazil, both for the presence in Brazil, both in Belo Horizonte and in Divisa Alegre.*

*Our mission project, based on our charism which seeks to repair, restore and reconcile humanity, especially the weakest and most marginalised, is dedicated to the service of elderly women in the Hogar Dona Paula, many of whom have been abandoned by their families and to the pastoral service of the parish of Our Lady of Mount Carmel in the diocese of Araçuaí, a diocese with few human and financial resources, in addition to the economic resources, also to the accompaniment of young people vocationed to the consecrated life SS.CC.*

**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

*Information on the money received in Brazil from the sisters in England/Ireland (continued)*

*For more information, we enclose some photos where you can appreciate some of our pastoral work and the plan of our pastoral work and the list of specific expenses."*



***Above: "Pastoral care of the Elderly" and "Complement to Missionary Childhood and Adolescence".***



***Above: "Meeting with the young people in Rio de Janeiro" and "Delivering food for needy families in Abacaxi".***

As can be seen from the photographs 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.

***Funds given to the Aymer Foundation***

This year, in addition to the annual statutory contribution to the Aymer Foundation, a further €20,000 (£18,850) was sent to them. The Aymer Foundation is a platform of solidarity and response to impoverished people and communities in the places where the Sacred Hearts Congregation is present and works. They collaborate in the transformation of the world into a more humane and fraternal place in which Peace and Justice grow.

They work with projects aimed at children, young people and adults in vulnerable situations and promote personal, family and socio-occupational development by combining personal and group efforts and collaborating institutions.



**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

*Funds given to the Aymer Foundation (continued)*

The Aymer Foundation funds Congregational projects in Africa, Asia and Latin America. The trustees intend to support their work with communities and projects on the ground to further the advances they have made worldwide.

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

*The Mission Fund*

In addition to the above donations, funds were given from The Mission Fund. This is a special fund from which the Sisters choose to support causes that are close to their hearts and although £15,000 is usually allocated for this Fund, in 2023 £20,000 was donated.

On Monday 6 February at 4 am, two major earthquakes hit northwest Syria and southeast Turkey causing 56,000 deaths and widespread and severe devastation. Many charities responded to the calls for help since the first hours of the disaster. They needed tents, places for people to stay, clothes, water and food – in fact they needed everything. The Sisters decided to support the organisations involved in helping and sent £5,000 to each of the following: Médecins Sans Frontières; the Red Cross; the Irish Red Cross and Trocaire.



*Funds provided for the elderly in Ireland*

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 £40,000 to Ireland to assist in the support of sisters and the provision of care for sick and older members of the Congregation.

**Activities, specific objectives and relevant policies (continued)**

***Review of activities (continued)***

*Support of the work of the Congregation generally*

As in previous years, a donation was made to the Generalate of the Congregation. This amounted to €15,000 (£13,165) and was to assist towards expenses relating to travel, food, secretariat costs and medical expenses, beatification of the Good Mother, and telephone and communications. The Congregation is today present worldwide 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.

It is anticipated that the charitable company's income will continue to be sufficient to provide assistance towards the increase in demand for the support given to members and the missions that the charity supports. The trustees will continue to keep both income and expenditure under review.

**Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the charitable company's immediate financial position.**

**Financial review for the year**

***Income and expenditure***

A summary of the year's results can be found on page 21 of this report and financial statements.

The total income for the year was £291,611 (2022 – £266,101) and comprised investment income and interest receivable.

The total expenditure for the year was £217,327 (2022 – £209,983). 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 £200,451 (2022 – £193,004). During the year the charity gave annual donations to the Congregation's Generalate of £13,165 (2022 – £61,755) to support the work of the Congregation generally; £40,000 (2022 – £35,000) was spent on members of the Congregation who themselves require care and support and further sums of £78,973 and £8,791 were given to two overseas projects of the Congregation (2022 – sums of £34,791 and £26,813 were given to two overseas projects). In addition, £20,000 (2022 – £15,000) was given to two charities from the Mission Fund in support of their work following the earthquake in Turkey and Syria. 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 2023 was £16,876 (2022 – £16,979).

The net income for the year, therefore, before net investment losses or gains was £74,284 (2022 – net income of £56,118). Investment gains amounted to £312,997 (2022 – investment losses of £1,012,027). The net increase in funds for the year amounted to £387,281 (2022 – a net decrease in funds of £955,909).

## **Financial review for the year (continued)**

### ***Performance of listed investments***

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 3.4% (2022 - 2.85%) and a capital yield of 7.3% (2022 – minus 10.89%). Further details of the investment portfolio are included in note 6 to the attached financial statements.

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

At 31 December 2023, 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 £8,914,648 (2022 – £8,527,367).

£5,900,000 (2022 – £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 (2022 – £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 £1,220,678 (2022 – £1,143,338) 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 £793,970 (2022 – £484,029).

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.

**Financial review for the year** (continued)

***Financial position and reserves policy*** (continued)

At 31 December 2023, the charity's free reserves had been positively affected by the investment gains incurred during the year, as opposed to the losses of the previous year. The charitable company is a long term investor and it is the trustees' opinion that the free reserves are sufficient and meet the charity's reserves policy set out above.

***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. 07003646 (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.

**Governance, structure and management** (continued)

***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

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).

**Governance, structure and management (continued)**

***Statement of trustees' responsibilities (continued)***

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);
- ◆ 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.



## **Governance, structure and management (continued)**

### ***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.

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 78 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.

**Governance, structure and management** (continued)

***Risk management*** (continued)

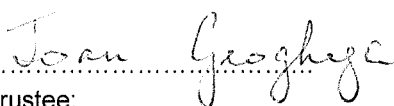
Having assessed the major risks to which the charitable company is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charitable company, they have established effective 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. 07003646 (England and Wales) and Charity Registration No. 1133012

.....  
Trustee: 

Approved by the trustees on: ..... 25<sup>th</sup> June 2024

**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 2023 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 2023 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.

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.

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;

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

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

- ◆ 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.

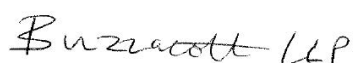
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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.

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](http://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.



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

Date: 26 June 2024

## Statement of financial activities Year to 31 December 2023

	Notes	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
<b>Income from:</b>							
Investments and interest receivable	1	253,605	38,006	291,611	231,298	34,803	266,101
<b>Total income</b>		<b>253,605</b>	<b>38,006</b>	<b>291,611</b>	<b>231,298</b>	<b>34,803</b>	<b>266,101</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment management fees		14,634	2,242	16,876	14,724	2,255	16,979
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	200,451	—	200,451	193,004	—	193,004
<b>Total expenditure</b>		<b>215,085</b>	<b>2,242</b>	<b>217,327</b>	<b>207,728</b>	<b>2,255</b>	<b>209,983</b>
<b>Net income before net investment gains (losses)</b>	4	<b>38,520</b>	<b>35,764</b>	<b>74,284</b>	<b>23,570</b>	<b>32,548</b>	<b>56,118</b>
Net gains (losses) on listed investments	6	271,421	41,576	312,997	(879,948)	(132,079)	(1,012,027)
<b>Net income (expenditure) and net movement in funds</b>		<b>309,941</b>	<b>77,340</b>	<b>387,281</b>	<b>(856,378)</b>	<b>(99,531)</b>	<b>(955,909)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 January 2023		7,384,029	1,143,338	8,527,367	8,240,407	1,242,869	9,483,276
<b>Total funds carried forward at 31 December 2023</b>		<b>7,693,970</b>	<b>1,220,678</b>	<b>8,914,648</b>	<b>7,384,029</b>	<b>1,143,338</b>	<b>8,527,367</b>

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Listed investments	6		8,640,564		8,327,567
<b>Current assets</b>					
Debtors	7	217		135	
Short term deposits		100,000		100,000	
Cash at bank and in hand		186,086		110,257	
		<u>286,303</u>		<u>210,392</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	8	(12,219)		(10,592)	
<b>Net current assets</b>			274,084		199,800
<b>Total net assets</b>			<u>8,914,648</u>		<u>8,527,367</u>
<b>The funds of the charity:</b>					
Restricted funds	9		1,220,678		1,143,338
Unrestricted funds					
. General fund			793,970		484,029
. Designated funds	10		6,900,000		6,900,000
			<u>8,914,648</u>		<u>8,527,367</u>

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: 25/6/2024



## Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(215,700)	(211,185)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		291,528	265,967
Purchase of investments		—	(50,001)
<b>Net cash provided by investing activities</b>		<b>291,528</b>	<b>215,966</b>
<b>Change in cash and cash equivalents in the year</b>		<b>75,828</b>	<b>4,781</b>
<b>Cash and cash equivalents at 1 January 2023</b>	B	<b>110,258</b>	<b>105,477</b>
<b>Cash and cash equivalents at 31 December 2023</b>	B	<b>186,086</b>	<b>110,258</b>

Notes to the statement of cash flows for the year to 31 December 2023.

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

	2023 £	2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>387,281</b>	<b>(955,909)</b>
<b>Adjustments for:</b>		
(Gains) losses on listed investments	(312,997)	1,012,027
Investment income and interest receivable	(291,611)	(266,101)
Increase (decrease) in creditors	1,627	(1,202)
<b>Net cash used in operating activities</b>	<b>(215,700)</b>	<b>(211,185)</b>

### B Analysis of cash and cash equivalents

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	110,257	75,829	<b>186,086</b>
Cash held by investment managers	1	(1)	—
<b>Total cash and cash equivalents</b>	<b>110,258</b>	<b>75,828</b>	<b>186,086</b>

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 2023**

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 2023 with comparative figures given for the year to 31 December 2022.

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.

## Principal accounting policies Year to 31 December 2023

### **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 2024, 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 (please 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 and interest receivable.

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.

## Principal accounting policies Year to 31 December 2023

### **Resources expended and the basis of apportioning costs (continued)**

All expenditure can be attributed directly to the above activities 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.

## **Principal accounting policies Year to 31 December 2023**

### **Cash at bank and in hand**

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

### **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 £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Investment income						
. UK listed investments	248,119	38,006	286,125	230,168	34,803	264,971
Bank interest	5,486	—	5,486	1,130	—	1,130
	<b>253,605</b>	<b>38,006</b>	<b>291,611</b>	<b>231,298</b>	<b>34,803</b>	<b>266,101</b>

**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	
	2023 £	2022 £
Provision of grants and donations (see below)	179,779	174,612
Support and governance costs (note 3)	20,672	18,392
	<b>200,451</b>	<b>193,004</b>

Grants and donations during the year comprised:

	Unrestricted funds / Total funds	
	2023 £	2022 £
<b>Amounts paid to institutions</b>		
Support of missions and projects of the Congregation overseas		
. Educational support in Kinshasa, Democratic Republic of Congo	—	34,791
. Assistance to the community in the Philippines	78,973	26,813
. Assistance to the community in Brazil	8,791	—
Support of sisters and the provision of care for the sick and older members of the Congregation in Ireland	40,000	35,000
Contribution to the Congregation's Generalate to support the work of the Congregation generally		
. Annual donation	13,165	61,755
Mission Fund donations: to support charitable work in Ukraine		
. Médecins Sans Frontières	5,000	—
. Irish Red Cross	5,000	—
. British Red Cross	5,000	—
. Trocaire	5,000	—
. Missionary Oblates of Mary Immaculate	—	7,500
. Congregation of the Most Holy Redeemer – The Redemptorists	—	7,500
Aymer Foundation	18,850	1,253
	<b>179,779</b>	<b>174,612</b>

No donations were paid to individuals during the years to 31 December 2023 and 2022.

## Notes to the financial statements Year to 31 December 2023

### 3 Support and governance costs

	Unrestricted funds / Total funds	
	2023	2022
	£	£
Legal and professional fees	7,008	7,468
Governance costs	8,820	5,400
Trustees' meeting expenses	1,253	3,195
Other expenses	3,591	2,329
	<b>20,672</b>	<b>18,392</b>

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

This is stated after charging:

	2023 £	2022 £
Auditor's remuneration (including VAT)		
• Statutory audit services: Current year	6,330	5,400
Previous year	930	—
• Other services: Current year	1,560	—

## 5 Staff costs and key management personnel

The charity does not employ staff and hence has no staff costs (2022 – £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 (2022 – £nil).

## 6 Investments

	2023 £	2022 £
<b>Listed investments</b>		
Fair (market) value at 1 January 2023	8,327,567	9,289,592
Additions at cost	—	50,001
Net unrealised investment gains (losses)	312,997	(1,012,027)
Fair (market) value at 31 December 2023	8,640,564	8,327,566
<b>Cash held by investment managers for re-investment</b>	—	1
	8,640,564	8,327,567
Cost of listed investments at 31 December 2023	6,448,396	6,448,396

At 31 December 2023 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**

	2023 £	2022 £
Interest receivable	217	135

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

	2023 £	2022 £
Other creditors and accruals	12,219	10,592

**9 Restricted funds – The Generalate fund**

	2023 £	2022 £
At 1 January 2023	1,143,338	1,242,869
Net movements in year	77,340	(99,531)
At 31 December 2023	1,220,678	1,143,338

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 2023 £	Designated in the year £	Released/ utilised in the year £	At 31 December 2023 £
Mission fund	1,000,000	20,000	(20,000)	1,000,000
Retirement reserve	5,900,000	—	—	5,900,000
	6,900,000	—	—	6,900,000

	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

♦ **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.

## 11 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Investments	592,856	6,900,000	1,147,708	8,640,564
Net current assets	201,114	—	72,970	274,084
<b>Total net assets</b>	<b>793,970</b>	<b>6,900,000</b>	<b>1,220,678</b>	<b>8,914,648</b>
	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
<b>Total net assets</b>	<b>484,029</b>	<b>6,900,000</b>	<b>1,143,338</b>	<b>8,527,367</b>

The total unrealised gains at 31 December 2023 and 2022 include net gains on revaluation of listed investments.

	2023 £	2022 £
<b>Total unrealised gains on listed investments at 31 December 2023</b>	<b>2,192,168</b>	1,879,170
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2023	1,879,171	2,891,198
Less: Gains realised on disposal of listed investments	—	—
Net (losses) gains arising on revaluation of listed investments	312,997	(1,012,027)
<b>Total unrealised gains at 31 December 2023</b>	<b>2,192,168</b>	1,879,171

## 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.

**Notes to the financial statements** Year to 31 December 2023

**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 (2022 – none).