

BROTHERS OF THE SACRED HEART

England & Wales · Charity number 1146264

Details

Status Registered

Legal form Charitable company

Company number [07897531](#)

Registered 2012-03-06

Register [View on the Charity Commission register](#)

Contact

Address Watling House
8 King Harry Lane
St Albans
Hertfordshire
AL3 4AW

Phone 07970546758

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Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO ADVANCE FOR THE PUBLIC BENEFIT SUCH CHARITABLE PURPOSES CONNECTED TO THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT.

Activities: The Charity's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Its current aims include: supporting Catholic education in England and in Africa, caring for elderly and retired brethren, and supporting the religious community and mission.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- United States
- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£481,461	£393,507	-	-
2024-06-30	£469,661	£390,680	-	-
2023-06-30	£428,276	£316,555	-	-
2022-06-30	£406,278	£288,195	-	-
2021-06-30	£404,641	£320,276	-	-
2020-06-30	£417,839	£415,707	-	-

Trustees

Name	Role	Appointed
Br Barry Landry SC		2017-03-23
Br Joseph Holthaus SC		2021-01-11
Br Michael Migacz SC		2023-07-25
Br Raymond Alan Hetu		2024-10-18
Br Ronald Hingle SC		2017-03-23

Linked charities

- THE COINDRE BURSARY TRUST (1146264-1)

Accounts

Brothers of the Sacred Heart

Annual Report and Financial Statements

30 June 2025

Charity Registration Number
1146264

Company Registration Number
07897531 (England and Wales)

Contents

Reports

Reference and administrative information	3
Trustees' report	4
Independent auditor's report	15

Financial statements

Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Principal accounting policies	23
Notes to the financial statements	28

Reference and administrative information

Trustees	Brother Ronald Hingle SC (Chair) Brother Raymond Hetu SC (appointed 18 Oct. 2024) Brother Joseph Holthaus SC Brother Barry Landry SC Brother Ivy Leblanc SC (deceased 26 Sep. 2025) Brother Michael Migacz SC
Registered address	Brothers of the Sacred Heart Watling House 8 King Harry Lane St Albans Herts AL3 4AW
Address of the Brothers of the Sacred Heart (US Province)	Provincial Office 4600 Elysian Fields Avenue New Orleans LA 70122 USA
Charity registration number	1146264
Company registration number	07897531 (England and Wales)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

The trustees present their annual report together with the financial statements of the Brothers of the Sacred Heart ("the charitable company") for the year ended 30 June 2025.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 of the attached financial statements and comply with the charitable company's Memorandum and 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 in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Brothers of the Sacred Heart is an international Roman Catholic Congregation founded in 1821 by Reverend Andre Coindre with the fundamental mission of educating the young. Today, the Congregation has just under 1,000 members spread across 30 countries. The activities of the Brothers in England and Wales are administered and accounted for through a charitable company established in 2012. The company, which is limited by guarantee, is registered with the Charity Commission, Charity Registration Number 1146264. As there is no British province of the Congregation, the members of the Congregation's US Provincial Council are the members and trustees of the charitable company.

The charitable company's objectives include the support of members of the Congregation in the Province, enabling such members to establish and continue their individual ministry; providing support for Catholic education at St Columba's College and Preparatory School (the College), St Albans; supporting Catholic education in Africa, the Philippines and elsewhere in the developing world, through the provision of grants to the Congregation; and the caring for elderly members of the Congregation who are retired in the United States of America.

The members of the charitable company are members of the US Provincial Council of the Brothers of the Sacred Heart, elections to which are held every three years. At the elections to the US Provincial Council in October 2018, Brother Ronald Hingle SC, already a member and director/trustee of the charitable company, was elected Provincial and was then re-appointed in 2021 and 2024. Co-opted trustees may also be appointed by the serving trustees for a term of office ending at the next Annual General Meeting. The trustees direct and manage the affairs of the charitable company. The meetings of trustees are chaired by Brother Ronald Hingle SC. Brother Ivy Leblanc SC took primary responsibility for the financial affairs of the charitable company. As such, when he ceased to be a member of the US Provincial Council from 1 July 2024, he remained a trustee, until his death on 26 September 2025. The new member of the US Provincial Council, Brother Raymond Hetu SC, *ex officio* became a trustee during the year. The trustees are supported by a Corporate Services consultant and an accountant, engaged on contracts for services. The charitable company has no employees.

Constitution

The Brothers of the Sacred Heart is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1146264 and Company Registration Number 07897531 (England and Wales). The charitable company was incorporated on 4 January 2012.

Background to the charity

Since 1955 the Brothers of the Sacred Heart have had a charitable foundation governed by a Trust Deed, which in 1996 was constituted as an incorporated body under the Charities Act 1993 (Charity Registration Number 231733). In April 2012 the charitable company resolved that, subject to the consent of the Charity Commission, the assets and functions of the charitable trust should be transferred to this charitable company and that this should be executed as a deed. The charitable trust was closed and removed from the Charity Commission register on 28 February 2013.

Since 1955 the Brothers of the Sacred Heart have conducted St Columba's College and Preparatory School (Charity Registration Number 1088480) as a Roman Catholic school in St Albans, Hertfordshire. The Provincial of the US Province appoints an Executive Assistant who serves as Dean of St Columba's College and as a trustee of the St Columba's College and Preparatory School charitable company. One of his major roles is to effect good communication of all College activities and development to the members of the Provincial Council. The Dean in post since 2 November 2020 is Brother Joseph Holthaus SC.

In April 2012 the charitable company executed as a deed with the charitable trust, and signed by the Provincial, a Trust Deed to transfer part of the charitable trust's funds to the charitable company to establish The Coindre Bursary Trust, an education fund held in investments with Sarasin & Partners LLP, for the purpose of providing means-tested bursaries and other forms of financial support in benefit of St Columba's College and Preparatory School. The Charity Commission recognised The Coindre Bursary Trust as a registered charity linked by a Uniting Direction with the charitable company on 28 June 2012. The transfer of assets took place on 31 July 2012.

The financial statements accompanying this report are the financial statements of the charitable company, Brothers of the Sacred Heart, 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 (the reporting charity) and The Coindre Bursary Trust (the linked charity). In accordance with the Uniting Direction, the funds of the The Coindre Bursary Trust are treated as restricted funds in the accounts of the charitable company.

Objectives, activities and relevant policies

Objectives and activities

The charitable company's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion as the trustees shall from time to time think fit. These may take place in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Consideration has been given to the Charity Commission's guidance on public benefit.

The charitable company's objectives include:

- ◆ Providing its vowed members the wherewithal to exercise their religious obligations and to serve as living examples of Christian discipleship to the people they meet daily;
- ◆ Providing financial support for Catholic education at St Columba's College and Preparatory School, St Albans, Hertfordshire;
- ◆ Supporting Catholic education, especially in Africa and in the Philippines, through financial assistance to the Brothers of the Sacred Heart of the Eastern and Southern Africa Province and the Brothers' Delegation in the Philippines;
- ◆ Providing financial assistance to the Brothers of the Sacred Heart to further its mission work to relieve poverty organised through the Congregation's General Council and provinces;
- ◆ Caring for elderly Brothers of the Sacred Heart of the US Province who are retired in the United States; and
- ◆ Maintaining and improving the buildings owned by the Brothers of the Sacred Heart for the accommodation of the religious Congregation and for the Church's educational mission.

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the Congregation, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves in any way. This means that members engaged in any ministry in England must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures as a regulated affiliate of the Catholic Safeguarding Standards Agency (CSSA). Terms of engagement were signed on 11 December 2023. In February 2022 the charity registered with the Religious Life Safeguarding Service (RLSS) and signed a contract to receive the safeguarding services of Religious Life Safeguarding Services Limited, including training, advice and support.

Investment policy

The charitable company has a portfolio of listed investments which together with cash awaiting investment had a market value as at 30 June 2025 of £3,854,651 (2024 – £3,894,229).

There are no restrictions on the charitable company's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established.

The overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

Investments are held for the continuing support and retirement needs of the brothers and for future provision of bursaries at St Columba's College. Investments are acquired in accordance with the investment policies document contained within the charitable company's administrative document. The policies are reviewed bi-annually. The charitable company's primary investment objective is to match or exceed the portfolio benchmark established for the Continuing Community Support Fund and the Coindre Bursary Trust.

Other aspects of the investment policies include:

- ◆ Not investing in companies dealing with abortifacients, armaments and tobacco;
- ◆ Common stock securities of any company should not exceed 5% of the total market value of equities in the portfolio, with the agreed exceptions of HSBC plc and BP plc;
- ◆ No more than 10% of the portfolio should be invested in any one FTSE All Share Sector (except for the Banking sector as agreed); and
- ◆ Balancing the fund to a preferred 65% in equities, 25% fixed income, 5% property and 5% cash, within a flexible range of minimum and maximum boundaries.

The investments are now held in a unitised fund in order to achieve these objectives. The performance of the portfolio and the charitable company's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

Achievements and performance

Review of activities

During the year the charity continued to support the activities of the brothers as stated in the objectives above.

The charitable company used its funds to meet its objectives as follows.

- ◆ £205,017 (2024 – £212,894) in support of the brothers, in England and in retirement in the US.
- ◆ £189,517 (2024 – £178,029) in gifts and donations, including:
 - ◇ £39,738 (2024 – £39,251) from the reporting charity to the Solidarity Fund of the Congregation's General Council for onward distribution to projects for the relief of poverty.
 - ◇ £95,373 (2024 – £93,203) from the reporting charity to the Brothers' Delegation in the Philippines for the relief of poverty and for education.

- ◇ £15,000 (2024 – £5,100) in other donations, which was a donation to St Columba's College in support of its strategic review to sustain its charitable enterprise.
- ◇ £39,406 (2024 – £40,475) provided from The Coindre Bursary Trust, the linked charity, to support bursaries at St Columba's College (in line with the agreed policy to provide 5% of the average valuation of the fund at 31 December over the three preceding years).

Raising funds

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 communications 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 fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 20 of the attached financial statements.

Total income for the year amounted to £481,461 compared to £469,661 in 2024.

Expenditure amounted to £393,507 compared to £390,680 in 2024. The costs in relation to supporting members of the Province and their ministry were £205,017 (2024 – £212,894). Donations given were £189,517 (2024 – £178,029). Further details of donations given are included in note 6 to the financial statements and above.

The net income for the year before investment gains was £87,954 (2024 – £78,981). The net investment gains totaled £30,200 (2024 – £343,366) and exchange losses on cash held by investment managers were £624 (2024 – £1,294). When these net gains are accounted for, the overall impact on the charitable company's funds is an increase of £117,530 (2024 – £421,053) for the year.

Investment performance

During the year to 30 June 2025, the charitable company's listed investments produced an income yield of 2.8% (2024 – 3.0%) and a positive capital yield of 0.8% (2024 – positive capital yield of 9.9%).

Reserves policy and financial position

Reserves policy

As explained above, the charitable company carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment.

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equivalent to 36 months' expenditure. The trustees are of the opinion that this reflects the charitable company's reliance on investments to generate investment income to fund recurring expenditure, and the continued performance of St Columba's College and Preparatory School, from which the charitable company receives most of its income. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charitable company to cope in the current macroeconomic and geopolitical climate, the extension of VAT to include independent schools in England, and respond to other unforeseen emergencies whilst specific action plans are implemented. The brothers in England receive minimal stipends for their work. The reserves also maintain the cost of sustaining the brothers' residence in England.

Financial position

The balance sheet shows total funds £5,896,264 (2024 – £5,778,734).

These funds include restricted funds of £788,099 (2024 – £800,007) of which £786,716 (2024 – £798,724) related to the linked charity, The Coindre Bursary Trust. These funds are represented by The Coindre Bursary Trust's investment portfolio, intended for future provision of bursaries at St Columba's College. Further details of restricted funds are given in note 18 to the financial statements.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £1,391,430 (2024 – £1,397,235) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Congregation to carry out its charitable work and are not available to fund activities or meet future commitments. The programme related investment fund equal to the cost of the property used by St Columba's College and Preparatory School amounted to £215,853 (2024 – £215,853).

An amount of £2,050,000 (2024 – £2,050,000) has been designated to meet the costs of the care and welfare of members of the Province as they grow old or frail. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future. The reserves are set aside for the continuing support of the brothers in St Albans and for the needs of retired brothers in the United States. It is estimated that the funds must help support elderly brothers for the next 25 years.

£223,767 (2024 - £116,633) represents the cost of capital works planned on the Watling House site.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in the notes to the financial statements.

General funds or 'free reserves' of the charitable company at 30 June 2025 total £1,227,115 (2024 – £1,199,006).

The trustees consider this level of free reserves accords with the charitable company's reserves policy stated above. The trustees are of this opinion given the potential for volatility in world stock markets due to the political and economic uncertainties, as well as the continued uncertain impact of VAT on independent schools. They also accept that in the years ahead, members of the Province may require increasing and increasingly expensive health care, and that the designated retirement fund of £2,050,000 described above may prove to be inadequate. It is the intention of the trustees to increase the fund over time.

Future plans

The trustees having reviewed their funding policy post year-end have agreed to continue to meet the objectives of the charity in the following ways:

- (i) To designate funds to support the future needs of the ageing Brothers' membership of the US Province and to support the living costs of the Brothers resident in the UK;
- (ii) To make an annual contribution of at least US \$50,000 to the Institute's Solidarity Fund to help fund Brothers' ministries in the developing world.
- (iii) To make an annual contribution of circa US \$120,000 to the Delegation of the Philippines.
- (iv) To make an annual donation from the Coindre Bursary Trust to St Columba's College and Preparatory School for the provision of school bursaries.
- (v) To support the formation of new Brothers, staff and other non-member charity representatives in the charism of the Brothers in furtherance of its charitable activities.

Governance, Structure and Management

Governance

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 07897531 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1146264).

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and financial statements. No trustee received any remuneration or was 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 brothers 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 four times a year to review developments with regard to the charitable company or its activities and 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 Province and to external consultants and advisers as necessary.

Trustees receive induction from their professional advisers at the time of their appointment, in particular on company and charity law and trustees' duties, utilising in particular guidance provided by the Charity Commission for England and Wales. Trustees are kept updated with changes in relevant regulations and guidance by their professional advisers, and receive regular communications from the Conference of Religious in England and Wales, the Diocese of Westminster, and from their professional advisers.

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 personnel 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 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 Brothers of the Sacred Heart 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.

- ♦ 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 he/she ought to have taken as a trustee in order to make himself/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 s418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims and in planning the work of members of the Congregation, 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.

The key risks for the charitable company, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Revenue income is dependent on the payments from St Columba's College and Preparatory School for use of the charitable company's property, which in turn is dependent on the annual school roll. Considerable uncertainty remains after the introduction of VAT for independent schools. Close communication with the College is being maintained and the matter kept under constant review so that measures can be taken if and when there is any early warning of a likely drop in revenue income. Recent strategic decisions by the College have helped to maintain the annual school roll.
- ◆ An analysis of the age profile of the members of the Province shows that the average age is 75 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the brothers has resources of their own. As the age profile increases, so too does the need to provide care for the brothers. Key elements of the management of this risk are: (a) ensuring that the charitable company has the available 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 brothers 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 its missions. Currently, all donations sent overseas are to fund projects administered directly by members of the Congregation or to the General Council for its disbursement in support of projects to relieve poverty, for which it operates its own financial controls in accordance with the requirements of the Congregation and canon law. Funds donated by the charitable company are always transferred via bank transfer and proof of receipt is obtained. Reports of how the monies have been utilised and applied are obtained and fed back to the charitable company by the members of the Congregation responsible.
- ◆ 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 manager 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. The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charitable company is a long-term investor. As such, the charitable company will be able to weather market volatility 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, 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 Brothers of the Sacred Heart, Company Registration No. 0789531 (England and Wales) and Charity Registration No. 1146264

Brother Ronald Hingle SC

Trustee

Approved by the trustees on: **12 January 2026**

Independent auditor's report to the trustees of the Brothers of the Sacred Heart

Opinion

We have audited the financial statements of the Brothers of the Sacred Heart (the 'charitable company') for the year ended 30 June 2025 which comprise the statement of financial activities, the balance sheet, and 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 30 June 2025 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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 management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006,

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

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and 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 management and trustees 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 the trustee board; 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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 30 June 2025

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.

Peter Mackereth (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

13 January 2026

Statement of financial activities Year to 30 June 2025
(including an income and expenditure account)

	Notes	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Income from:							
Donations	1	92,006	100	92,106	95,873	1,400	97,273
Charitable activities	2	267,657	—	267,657	245,837	—	245,837
Investments and interest receivable	3	94,743	21,953	116,696	98,269	23,014	121,283
Other sources							
. Miscellaneous income		5,002	—	5,002	5,268	—	5,268
Total income		459,408	22,053	481,461	445,247	24,414	469,661
Expenditure on:							
Raising funds							
. Investment manager fees		(822)	(205)	(1,027)	(164)	(79)	(243)
Charitable activities							
. Support of members of the Congregation and their ministry	4	205,017	—	205,017	212,894	—	212,894
. Donations	6	150,111	39,406	189,517	132,454	45,575	178,029
Total expenditure		354,306	39,201	393,507	345,184	45,496	390,680
Net income (expenditure) before (losses) gains on investments	7	105,102	(17,148)	87,954	100,063	(21,082)	78,981
Exchange (losses) gains on cash held by investment managers		(624)	—	(624)	(1,294)	—	(1,294)
Net gains on the revaluation and disposal of listed investments	11	24,961	5,239	30,200	271,444	71,922	343,366
Net movement in funds		129,439	(11,909)	117,530	370,213	50,840	421,053
Reconciliation of funds:							
Fund balances brought forward at 1 July 2024		4,978,727	800,007	5,778,734	4,608,514	749,167	5,357,681
Fund balances carried forward at 30 June 2025		5,108,166	788,098	5,896,264	4,978,727	800,007	5,778,734

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 30 June 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets:					
Tangible assets	10		1,391,430		1,397,235
Investments					
. Listed investments and cash held for re-investment	11		3,854,651		3,894,229
. Programme related investment	12		215,853		215,853
			5,461,934		5,507,317
Current assets:					
Debtors	13	15,614		37,229	
Cash at bank and in hand		449,707		260,682	
		465,321		297,911	
Liabilities:					
Creditors: amounts falling due within one year	14	(30,991)		(26,494)	
Net current assets			434,330		271,417
Total net assets			5,896,264		5,778,734
The funds of the charitable company:					
Unrestricted funds					
. Tangible fixed assets fund	15		1,391,430		1,397,235
. Programme related investment fund	16		215,853		215,853
. Designated funds	17		2,273,767		2,166,633
. General fund			1,227,115		1,199,006
			5,108,165		4,978,727
Restricted funds	18		788,099		800,007
			5,896,264		5,778,734

Approved by the trustees and signed on their behalf by:

Brother Ronald Hingle SC

Trustee

Approved on: **12 January 2026**

Company Registration Number 07897531 (England and Wales)

Statement of cash flows Year to 30 June 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net cash used in operating activities	A	34,791	(5,114)
Cash flows from investing activities:			
Investment income – listed investments and interest		104,336	109,283
Investment income – programme related investment		12,360	12,000
Purchase of tangible fixed assets		(27,920)	–
Capital expenditure on PRI		(3,696)	–
Proceeds from the disposal of investments		79,406	73,000
Purchase of investments		(15,049)	(120,000)
Net cash provided by investing activities		149,437	74,283
Change in cash and cash equivalents in the year		184,228	69,169
Cash and cash equivalents at 1 July 2024		342,973	275,098
Change in cash and cash equivalents due to exchange rate movements		(624)	(1,294)
Cash and cash equivalents at 30 June 2025	B	526,577	342,973

Notes to the statement of cash flows for the year to 30 June 2025.

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

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	117,530	421,053
Adjustments for:		
Depreciation	33,725	28,875
Gains on investments	(30,200)	(343,366)
Investment income	(116,696)	(121,283)
Capital expenditure on PRI	3,696	–
Exchange losses (gains)	624	1,294
Decrease (increase) in debtors	21,615	2,039
Increase (decrease) in creditors	4,497	6,274
Net cash used in operating activities	34,791	(5,114)

B Analysis of changes in cash and cash equivalents

	At 1 July 2024 £	Cash flows £	Exchange gains £	At 30 June 2025 £
Cash at bank and in hand	260,682	189,025	–	449,707
Cash held by investment managers	82,291	(4,797)	(624)	76,870
Total cash and cash equivalents	342,973	184,228	(624)	526,577

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 30 June 2025

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 30 June 2025 with comparative information provided in respect to the year to 30 June 2024.

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 in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Under a Uniting Direction issued by the Charity Commission under section 12(1) of the Charities Act 2011, this charity (i.e. Brothers of the Sacred Heart (Charity Registration Number 1146264)) is the reporting charity and its related charity, The Coindre Bursary Trust (Charity Registration Number 1146264-1) is the linked charity. The effect of the Uniting Direction for accountancy and reporting purposes is that a single set of accounts is presented for the two charities combined with The Coindre Bursary Trust shown as a restricted fund. Under the Uniting Direction, both charities continue to exist as independent entities in all other respects.

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 useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the value of land included as part of land and buildings to enable the calculation of depreciation on building costs alone; and
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund.

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 charity's investment income may be affected by the continuing volatility in listed investments markets due to the ongoing macroeconomic and geopolitical instabilities. Inflation has meant that costs have increased, although the overall impact is expected to be immaterial. The trustees will continue to keep income (particularly that from St Columba's College and Preparatory School) and expenditure under review but do not anticipate that the impact there will be any material impact on the charity's finances or impact on the charity's going concern.

With regard to the next accounting period, the year ending 30 June 2026, 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 market. As noted above, this is particularly relevant at the current time with political and economic uncertainties.

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 donations, legacies investment income and a recharge from associated schools.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

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

Income from charitable activities consists of a recharge from associated schools and is recognised to the extent that it is probable that economic benefits will flow to the charitable company and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Income recognition (continued)

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

Income derived from the letting of the charity's programme related investment property is recognised in the period to which the tenancy relates.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Freehold land and buildings

Freehold land and buildings purchased on or prior to 1 July 2015 are included in the financial statements at a valuation determined by the trustees as at that date with professional assistance, based on market value for existing use. As permitted by FRS 102, with effect from 1 July 2015 the value assigned to freehold land and buildings is now deemed its cost. Land and buildings purchased on or after 1 July 2015 are shown on the balance sheet at cost. Freehold land and buildings comprise a large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write off the building over its estimated useful economic life to the Congregation.

b. Other tangible fixed assets

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

- ◆ Furniture, fittings and equipment – 5% to 25% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the financial statements as their net realisable value is considered to be negligible.

Listed investments and cash held for re-investment

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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company 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 if 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.

Programme related investments

Programme related investments include a building owned by the charitable company but used by another organisation for purposes consistent with the charitable company's objectives. The original cost of the building classified as programme related investment is not known. The value at which the building is included represents expenditure on the building since 2011.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

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, if held, are disclosed as short term deposits.

Creditors

Creditors 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 are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets.

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and building owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least December 2026, the date to which the property is leased, and as such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

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.

Services provided by members of the Congregation

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

1 Income from: Donations and legacies

	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Pensions and other income of individual religious received under deed of covenant	84,115	—	84,115	85,574	—	85,574
Donations	12,691	100	12,791	2,899	1,400	4,299
Legacies	—	—	—	7,400	—	7,400
	96,806	100	96,906	95,873	1,400	97,273

2 Income from: Charitable activities

	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Recharge from associated schools	267,657	—	267,657	245,837	—	245,837

3 Income from: Investments and interest receivable

	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Income from listed investments						
. UK equities and unitised funds	81,329	21,548	102,877	81,301	22,392	103,693
Income from programme related investment	12,360	—	12,360	12,000	—	12,000
Interest receivable	1,054	405	1,459	4,968	622	5,590
	94,743	21,953	116,696	98,269	23,014	121,283

4 Expenditure on: Support of members of the Congregation and their ministry

	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Premises	43,098	—	43,098	37,593	—	37,593
Living and personal costs	57,753	—	57,753	41,108	—	41,108
Support of Brothers in the USA	25,175	—	25,175	43,235	—	43,235
Depreciation	33,725	—	33,725	28,875	—	28,875
Governance (see note 5)	13,650	—	13,650	11,250	—	11,250
Other support costs						
. Professional fees	21,707	—	21,707	41,449	—	41,449
. Accountancy	5,925	—	5,925	4,128	—	4,128
. Other	3,984	—	3,984	5,256	—	5,256
	205,017	—	205,017	212,894	—	212,894

5 Governance

	Un-restricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Professional fees	13,650	—	13,650	11,250	—	11,250

6. Donations

	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Donation to the Congregation's Solidarity Fund – for onward distribution to projects for the relief of poverty and for education.	39,738	—	39,738	39,251	—	39,251
Donations to the Congregation's missions						
. Brothers' Delegation in the Philippines	95,373	—	95,373	93,203	4,100	97,303
Coindre Bursary – to provide support for students at St Columba's College and Preparatory School	—	39,406	39,406	—	40,475	40,475
Sundry donations	15,000	—	15,000	—	1,000	1,000
	150,111	39,406	189,517	132,454	45,575	178,029

7. Net income (expenditure) before (losses) gains on investments

This is stated after charging:

	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Auditor's remuneration						
. Current year	11,400	—	11,400	11,250	—	11,250
. Previous year	2,250	—	2,250	—	—	—
Depreciation	33,725	—	33,725	28,875	—	28,875

8. Staff costs, key management personnel and trustees' remuneration

The charitable company did not employ any staff during the year (2024 – none).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis comprise the trustees. They received nil remuneration or reimbursement of expenses in connection with their duties during the year (2024 – £nil).

The charitable company's trustees are all members of the Congregation. However, as the trustees mostly reside in the US, their living and personal expenses are borne by the Brothers of the Sacred Heart (US Province). Certain expenses are occasionally borne by the charitable company in respect to the general costs of the US Province and these totalled £ nil in 2024 (2024 – £nil). No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2024 – none).

9. Taxation

Brothers of the Sacred Heart is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold land and building £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 July 2024	1,606,807	62,094	24,278	1,693,179
Additions	1,170	—	26,750	27,920
Disposals	—	—	(11,500)	(11,500)
At 30 June 2025	<u>1,607,977</u>	<u>62,094</u>	<u>39,528</u>	<u>1,709,599</u>
 Cost	 139,201	 62,094	 39,528	 240,823
Deemed cost (2015 valuation)	1,468,776	—	—	1,468,776
	<u>1,607,977</u>	<u>62,094</u>	<u>39,528</u>	<u>1,709,599</u>
 Depreciation				
At 1 July 2024	221,825	49,841	24,278	295,944
Charge for year	25,164	2,988	5,573	33,725
Disposals	—	—	(11,500)	(11,500)
At 30 June 2025	<u>246,989</u>	<u>52,829</u>	<u>18,351</u>	<u>318,169</u>
 Net book values				
At 30 June 2025	<u>1,360,988</u>	<u>9,265</u>	<u>21,177</u>	<u>1,391,430</u>
At 30 June 2024	<u>1,384,982</u>	<u>12,253</u>	<u>—</u>	<u>1,397,235</u>

As permitted under FRS 102, the charitable company has adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost or deemed cost. Where a valuation has been used in prior periods this has been taken to be deemed cost under the transitional arrangements of FRS 102.

11 Listed investments and cash held for re-investment

	Un- restricted funds £	Restricted funds £	2025 Total funds £	Un- restricted funds £	Restricted funds £	2024 Total funds £
Listed investments						
Market value (fair value) at 1 July 2024	3,019,146	792,792	3,811,938	2,682,702	738,870	3,421,572
Additions at cost	9,116	5,933	15,049	120,000	—	120,000
Disposals at book value						
. Proceeds	(56,000)	(23,406)	(79,406)	(55,000)	(18,000)	(73,000)
. Net realised gains (losses)	1,245	(967)	278	4,896	710	5,606
	(54,755)	(24,373)	(79,128)	(50,104)	(17,290)	(67,394)
Net unrealised investment gains	23,716	6,206	29,922	266,548	71,212	337,760
Market value (fair value) at 30 June 2025	2,997,223	780,558	3,777,781	3,019,146	792,792	3,811,938
Cash held by investment managers						
	70,711	6,159	76,870	76,359	5,932	82,291
	3,067,934	786,717	3,854,651	3,095,505	798,724	3,894,229
Cost of listed investments at 30 June 2025	2,549,184	483,967	3,033,151	2,587,009	493,266	3,080,275

All investments comprise Class A income units in the Sarasin Alpha Endowment Fund. All listed investments held within the Fund were dealt in on recognised stock exchanges.

12 Programme related investments

Programme related investments comprise a property occupied by St Columba's College and Preparatory School, a charitable and not-for-profit organisation, for purposes consistent with the charitable company's objectives.

	2025 £	2024 £
At 1 July 2024 and at 30 June 2025	215,853	215,853

13 Debtors

	2025 £	2024 £
Amounts receivable from St Columba's College and Preparatory School (note 20)	—	26,507
Other debtors	15,231	10,351
Prepayments and accrued income	383	371
	15,614	37,229

14 Creditors – amounts falling due within one year

	2025 £	2024 £
Expense creditors	3,268	2,168
Donations payable	12,293	11,576
Accruals	15,430	12,750
	30,991	26,494

15 Tangible fixed assets fund

	2025 £	2024 £
At 1 July 2024	1,397,235	1,426,110
Net movement in year	(5,805)	(28,875)
At 30 June 2025	1,391,430	1,397,235

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charitable company and are not available to finance current expenditure or meet contingencies.

16 Programme related investment fund

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and buildings owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least 24 December 2026. As such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations or part of free reserves.

	2025 £	2024 £
At 1 July 2024 and at 30 June 2025	215,853	215,853

17 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2024 £	New designations £	At 30 June 2025 £
Retirement reserve	2,050,000	—	2,050,000
Property repairs fund	116,633	107,134	223,767
	2,166,633	107,134	2,273,767

	At 1 July 2023 £	New designations £	At 30 June 2024 £
Retirement reserve	2,050,000	—	2,050,000
Property repairs fund	66,633	50,000	116,633
	<u>2,116,633</u>	<u>50,000</u>	<u>2,166,633</u>

Retirement reserve

The trustees have established a retirement reserve, representing monies designated by the trustees to provide for the members of the Congregation in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and those likely to be required.

Property repairs fund

Since 2020-21 the trustees have set aside funds to meet planned expenditure on the Watling House property. Of the £250,000 set aside that year, £183,367 was utilised. Since then further funds have been set aside pending a fully costed schedule of works for the remaining repairs: an additional £50,000 in 2023-24 and a further £107,134 in 2024-25.

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of monies held on trusts to be applied for specific purposes:

	The Coindre Bursary Trust £	Other funds £	2025 Total funds £	The Coindre Bursary Trust £	Other funds £	2024 Total funds £
At 1 July 2024	798,724	1,283	800,007	744,184	4,983	749,167
Income	21,954	100	22,054	23,014	1,400	24,414
Expenditure	(39,201)	—	(39,201)	(40,396)	(5,100)	(45,496)
Gains on investments	5,239	—	5,239	71,922	—	71,922
At 30 June 2025	<u>786,716</u>	<u>1,383</u>	<u>788,099</u>	<u>798,724</u>	<u>1,283</u>	<u>800,007</u>

The Coindre Bursary Trust represents the funds of the linked charity which are to be used to provide bursaries at St Columba's College.

19 Analysis of net assets between funds

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2025 £
Fund balances at 30 June 2025 are represented by:						
Tangible fixed assets	—	—	—	1,391,430	—	1,391,430
Listed investments	786,717	1,017,934	2,050,000	—	—	3,854,651
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	1,382	209,181	223,767	—	—	434,330
Total net assets	788,099	1,227,115	2,273,767	1,391,430	215,853	5,896,264

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2024 £
Fund balances at 30 June 2024 are represented by:						
Tangible fixed assets	—	—	—	1,397,235	—	1,397,235
Listed investments	792,792	1,051,437	2,050,000	—	—	3,894,229
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	7,215	147,569	116,633	—	—	271,417
Total net assets	800,007	1,199,006	2,166,633	1,397,235	215,853	5,778,734

The total unrealised gains as at 30 June 2025 constitute movements on revaluation of investments and are as follows:

	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Unrealised gains at 30 June 2025 included above:						
Total unrealised gains on listed investments	448,039	296,591	744,630	432,137	299,526	731,663
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 July 2024	432,137	299,526	731,663	168,603	233,783	402,386
Less: in respect of disposals in the year	(7,814)	(9,141)	(16,955)	(3,014)	(5,469)	(8,483)
Add: net gains arising on revaluation in the year	23,716	6,206	29,922	266,548	71,212	337,760
Total unrealised gains at 30 June 2025	448,039	296,591	744,630	432,137	299,526	731,663

20 Related party transactions

St Columba's College and Preparatory School

Brother Ronald Hingle SC, Brother Ivy Leblanc SC and Brother Joseph Holthaus SC, who are trustees of the Brothers of the Sacred Heart, were also trustees of St Columba's College and Preparatory School (the College) during the financial year.

During the year ended 30 June 2025, the charity received income £ 267,657 (2024 - £245,837) from the College in relation to the recharges under the transfer agreement (note 1).

The charity also received income of £58,939 (2024 – £43,759), being stipends due for teaching and other services provided by members of the order during the year, as well as £12,360 (2024 – £12,000) in respect of rental income in relation to the Headmaster's lodge and restricted donations of £100 (2024 – £1,400) (Notes 1 and 2).

At 30 June 2025, debtors included £ nil (2024 – £26,507) receivable from the College in relation to recharges under the transfer agreement, stipends of brothers and rental income for the programme related investment property (note 13).

The charitable company also reimburses costs in relation to utilities such as gas, electricity, insurance, telephone and food to the College. The amounts reimbursed during the year amounted to £27,009 (2024 – £26,626).

The Coindre Bursary Trust made donations to the College. Donations payable during the year amounted to £ 39,406 (2024 – £40,475) (note 6). A further £15,000 (2024 - £nil) was donated by the charitable company to the College for a new development project.

Other transactions

Details of other transactions with trustees are disclosed in note 8.

There are no further related party transactions requiring disclosure (2024 – none).

21 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.

BROTHERS OF THE SACRED HEART

England & Wales - Charity number 1146264

Accounts

Brothers of the Sacred Heart

Annual Report and Financial Statements

30 June 2024

Charity Registration Number
1146264

Company Registration Number
07897531 (England and Wales)

Contents

Reports

Reference and administrative information	3
Trustees' report	4
Independent auditor's report	15

Financial statements

Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Principal accounting policies	23
Notes to the financial statements	28

Trustees	Brother Ronald Hingle SC (Chair) Brother Raymond Hetu SC (appointed 18 Oct. 2024) Brother Joseph Holthaus SC Brother Barry Landry SC Brother Ivy Leblanc SC Brother Clifford King SC (retired 25 Jul. 2023) Brother Michael Migacz SC (appointed 25 Jul. 2023)
Registered address	Brothers of the Sacred Heart Watling House 8 King Harry Lane St Albans Herts AL3 4AW
Address of the Brothers of the Sacred Heart (US Province)	Provincial Office 4600 Elysian Fields Avenue New Orleans LA 70122 USA
Charity registration number	1146264
Company registration number	07897531 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Trustees' report Year to 30 June 2024

The trustees present their annual report together with the financial statements of the Brothers of the Sacred Heart ("the charitable company") for the year ended 30 June 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 of the attached financial statements and comply with the charitable company's Memorandum and 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 in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Brothers of the Sacred Heart is an international Roman Catholic Congregation founded in 1821 by Reverend Andre Coindre with the fundamental mission of educating the young. Today, the Congregation has just under 1,000 members spread across 30 countries. The activities of the Brothers in England and Wales are administered and accounted for through a charitable company established in 2012. The company, which is limited by guarantee, is registered with the Charity Commission, Charity Registration Number 1146264. As there is no British province of the Congregation, the members of the Congregation's US Provincial Council are the members and trustees of the charitable company.

The charitable company's objectives include the support of members of the Congregation in England, enabling such members to continue their individual ministry; providing support for Catholic education at St Columba's College and Preparatory School (the College), St Albans; supporting Catholic education in Africa, the Philippines and elsewhere in the developing world, through the provision of grants to the Congregation; and the caring for elderly members of the Congregation who are retired in the United States of America.

The members of the charitable company are members of the US Provincial Council of the Brothers of the Sacred Heart, elections to which are held every three years. At the elections to the US Provincial Council in October 2018, Brother Ronald Hingle SC, already a member and director/trustee of the charitable company, was elected Provincial and was re-elected in 2021 and 2024. Co-opted trustees may also be appointed by the serving trustees for a term of office ending at the next Annual General Meeting. The trustees direct and manage the affairs of the charitable company. The meetings of trustees are chaired by Brother Ronald Hingle SC. Brother Ivy Leblanc SC takes primary responsibility for the financial affairs of the charitable company. They are supported by a Corporate Services consultant and an accountant, engaged on contracts for services. The charitable company has no employees.

Constitution

The Brothers of the Sacred Heart is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1146264 and Company Registration Number 07897531 (England and Wales). The charitable company was incorporated on 4 January 2012.

Background to the charity

Since 1955 the Brothers of the Sacred Heart have had a charitable foundation governed by a Trust Deed, which in 1996 was constituted as an incorporated body under the Charities Act 1993 (Charity Registration Number 231733). In April 2012 the charitable company resolved that, subject to the consent of the Charity Commission, the assets and functions of the charitable trust should be transferred to this charitable company and that this should be executed as a deed. The charitable trust was closed and removed from the Charity Commission register on 28 February 2013.

Upon transfer of the assets and functions, the charitable company has amongst other things participated in the church appeals programme of the Catholic Missionary Union of England and Wales (Charity Registration Number 1082975) to raise funds for the African missions and missions in the developing world of the Brothers of the Sacred Heart. Following the guidance of the Diocese of Westminster, stipulating that parish mission appeals be undertaken on a one-off basis only, the charitable company no longer participates in this appeals programme, with effect from 1 August 2014.

Since 1955 the Brothers of the Sacred Heart have conducted St Columba's College and Preparatory School (Charity Registration Number 1088480) as a Roman Catholic school in St Albans, Hertfordshire. The Provincial of the US Province appoints an Executive Assistant who serves as Dean of St Columba's College and as a trustee of the St Columba's College and Preparatory School charitable company. One of his major roles is to effect good communication of all College activities and development to the members of the Provincial Council. The Dean in post since 2 November 2020 is Brother Joseph Holthaus SC.

In April 2012 the charitable company executed as a deed with the charitable trust, and signed by the Provincial, a Trust Deed to transfer part of the charitable trust's funds to the charitable company to establish The Coindre Bursary Trust, an education fund held in investments with Sarasin & Partners LLP, for the purpose of providing means-tested bursaries and other forms of financial support in benefit of St Columba's College and Preparatory School. The Charity Commission recognised The Coindre Bursary Trust as a registered charity linked by a Uniting Direction with the charitable company on 28 June 2012. The transfer of assets took place on 31 July 2012.

The financial statements accompanying this report are the financial statements of the charitable company, Brothers of the Sacred Heart, 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 (the reporting charity) and The Coindre Bursary Trust (the linked charity). In accordance with the Uniting Direction, the funds of the The Coindre Bursary Trust are treated as restricted funds in the accounts of the charitable company.

Objectives, activities and relevant policies

Objectives and activities

The charitable company's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion as the trustees shall from time to time think fit. These may take place in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Consideration has been given to the Charity Commission's guidance on public benefit.

Objectives, activities and relevant policies (continued)

Objectives and activities (continued)

The charitable company's objectives include:

- ◆ Providing its vowed members the wherewithal to exercise their religious obligations and to serve as living examples of Christian discipleship to the people they meet daily;
- ◆ Providing financial support for Catholic education at St Columba's College and Preparatory School, St Albans, Hertfordshire;
- ◆ Supporting Catholic education in Africa and in the Philippines through financial assistance to the Brothers of the Sacred Heart of the Eastern and Southern Africa Province and the Brothers' Delegation in the Philippines;
- ◆ Providing financial assistance to the Brothers of the Sacred Heart to further its mission work to relieve poverty organised through the Congregation's General Council and provinces;
- ◆ Caring for elderly Brothers of the Sacred Heart of the US Province who are retired in the United States; and
- ◆ Maintaining and improving the buildings owned by the Brothers of the Sacred Heart for the accommodation of the religious Congregation and for the Church's educational mission.

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the Congregation, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves in any way. This means that members engaged in any ministry in England must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures as a regulated affiliate of the Catholic Safeguarding Standards Agency (CSSA). Terms of engagement were signed on 11 December 2023. In February 2022 the charity registered with the Religious Life Safeguarding Service (RLSS) and signed a contract to receive the safeguarding services of Religious Life Safeguarding Services Limited, including training, advice and support.

Investment policy

The charitable company has a portfolio of listed investments which together with cash awaiting investment had a market value as at 30 June 2024 of £3,894,229 (2023 – £3,495,560).

There are no restrictions on the charitable company's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established.

Objectives, activities and relevant policies (continued)

Investment policy (continued)

The overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

Investments are held for the continuing support and retirement needs of the brothers and for future provision of bursaries at St Columba's College. Investments are acquired in accordance with the investment policies document contained within the charitable company's administrative document. The policies are reviewed bi-annually. The charitable company's primary investment objective is to match or exceed the portfolio benchmark established for the Continuing Community Support Fund and the Coindre Bursary Trust.

Other aspects of the investment policies include:

- ◆ Not investing in companies dealing with abortifacients, armaments and tobacco;
- ◆ Common stock securities of any company should not exceed 5% of the total market value of equities in the portfolio, with the agreed exceptions of HSBC plc and BP plc;
- ◆ No more than 10% of the portfolio should be invested in any one FTSE All Share Sector (except for the Banking sector as agreed); and
- ◆ Balancing the fund to a preferred 65% in equities, 25% fixed income, 5% property and 5% cash, within a flexible range of minimum and maximum boundaries.

The investments are now held in a unitised fund in order to achieve these objectives. The performance of the portfolio and the charitable company's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

Achievements and performance

Review of activities

During the year the charity continued to support the activities of the brothers as stated in the objectives above.

The charitable company used its funds to meet its objectives as follows.

- ◆ £212,894 (2023 – £131,998) in support of the brothers, in England and in retirement in the US.
- ◆ £178,029 (2023 – £184,765) in gifts and donations, including:
 - ◇ £39,251 (2023 – £41,326) from the reporting charity to the Solidarity Fund of the Congregation's General Council for onward distribution to projects for the relief of poverty.
 - ◇ £93,203 (2023 – £99,184) from the reporting charity to the Brothers' Delegation in the Philippines for the relief of poverty and for education.

Achievements and performance (continued)

Review of activities (continued)

- ◇ £5,100 (2023 – £nil) in onward distribution of donations received as follows: £4,100 to the Philippines' mission and £1,000 to St Anne's mission in Klagetoh, Arizona.
- ◇ £40,475 (2023 – £44,255) provided from The Coindre Bursary Trust, the linked charity, to support bursaries at St Columba's College (in line with the agreed policy to provide 5% of the average valuation of the fund at 31 December over the three preceding years).

Raising funds

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 communications 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 fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 20 of the attached financial statements.

Total income for the year amounted to £469,661 compared to £428,276 in 2023.

Expenditure amounted to £390,680 compared to £316,555 in 2023. The costs in relation to supporting members of the Province and their ministry were £212,894 (2023 – £131,998). Donations given were £178,029 (2023 – £184,765). Further details of donations given are included in note 6 to the financial statements and above.

The net income for the year before investment gains was £78,981 (2023 – £111,721). The net investment gains totalled £343,366 (2023 – £22,574) and exchange losses on cash held by investment managers were £1,294 (2023 – gains of £1,133). When these net gains are accounted for, the overall impact on the charitable company's funds is an increase of £421,053 (2023 – £135,428) for the year.

Investment performance

During the year to 30 June 2024, the charitable company's listed investments produced an income yield of 3.0% (2023 – 2.9%) and a positive capital yield of 9.9% (2023 – positive capital yield of 0.7%).

Reserves policy and financial position

Reserves policy

As explained above, the charitable company carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment.

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equivalent to 36 months' expenditure. The trustees are of the opinion that this reflects the charitable company's reliance on investments to generate investment income to fund recurring expenditure, and the continued performance of St Columba's College and Preparatory School, from which the charitable company receives most of its income. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charitable company to cope in the current macroeconomic and geopolitical climate, the extension of VAT to include independent schools in England, and respond to other unforeseen emergencies whilst specific action plans are implemented. The brothers in England receive minimal stipends for their work. The reserves also maintain the cost of sustaining the brothers' residence in England.

Financial position

The balance sheet shows total funds £5,778,734 (2023 – £5,357,681).

These funds include restricted funds of £800,007 (2023 – £749,167) of which £798,724 (2023 – £744,184) related to the linked charity, The Coindre Bursary Trust. These funds are represented by The Coindre Bursary Trust's investment portfolio, intended for future provision of bursaries at St Columba's College. Further details of restricted funds are given in note 18 to the financial statements.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £1,397,235 (2023 – £1,426,110) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Congregation to carry out its charitable work and are not available to fund activities or meet future commitments. The programme related investment fund equal to the cost of the property used by St Columba's College and Preparatory School amounted to £215,853 (2023 – £215,853).

An amount of £2,050,000 (2023 – £2,050,000) has been designated to meet the costs of the care and welfare of members of the Province as they grow old or frail. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future. The reserves are set aside for the continuing support of the brothers in St Albans and for the needs of retired brothers in the United States. It is estimated that the funds must help support elderly brothers for the next 25 years.

Financial report for the year (continued)

Reserves policy and financial position (continued)

£116,633 represents the cost of capital works planned on the Watling House site.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in the notes to the financial statements.

General funds or 'free reserves' of the charitable company at 30 June 2024 total £1,199,006 (2023 – £849,918).

The trustees consider that this level of free reserves is in accordance with the charitable company's reserves policy stated above. The trustees are of this opinion given the volatility in world stock markets at the present time due to the political and economic uncertainties, as well as the uncertain impact of VAT on independent schools. They also accept that in the years ahead, members of the Province may require increasing and increasingly expensive health care, and that the designated retirement fund of £2,050,000 described above may prove to be inadequate. It is the intention of the trustees to increase the fund over time.

Future plans

The trustees having reviewed their funding policy post year-end have agreed to continue to meet the objectives of the charity in the following ways:

- (i) To designate funds to support the future needs of the ageing Brothers' membership of the US Province and to support the living costs of the Brothers resident in the UK;
- (ii) To make an annual contribution of at least US \$50,000 to the Institute's Solidarity Fund to help fund Brothers' ministries in the developing world.
- (iii) To make an annual contribution of circa US \$120,000 to the Delegation of the Philippines.
- (iv) To make an annual donation from the Coindre Bursary Trust to St Columba's College and Preparatory School for the provision of school bursaries.
- (v) To support the formation of new Brothers, staff and other non-member charity representatives in the charism of the Brothers in furtherance of its charitable activities.

Governance, Structure and Management

Governance

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 07897531 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1146264).

Governance, Structure and Management (continued)

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and financial statements. No trustee received any remuneration or was 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 brothers 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 four times a year to review developments with regard to the charitable company or its activities and 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 Province and to external consultants and advisers as necessary.

Trustees receive induction from their professional advisers at the time of their appointment, in particular on company and charity law and trustees' duties, utilising in particular guidance provided by the Charity Commission for England and Wales. Trustees are kept updated with changes in relevant regulations and guidance by their professional advisers, and receive regular communications from the Conference of Religious in England and Wales, the Diocese of Westminster, and from their professional advisers.

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 personnel 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 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 Brothers of the Sacred Heart 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.

- ◆ 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 he/she ought to have taken as a trustee in order to make himself/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 s418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims and in planning the work of members of the Congregation, 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.

The key risks for the charitable company, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Revenue income is dependent on the payments from St Columba's College and Preparatory School for use of the charitable company's property, which in turn is dependent on the annual school roll. Considerable uncertainty has arisen with the proposed introduction of VAT for independent schools. Close communication with the College is being maintained and the matter kept under constant review so that measures can be taken if and when there is any early warning of a likely drop in revenue income. Recent strategic decisions by the College have helped to maintain the annual school roll.
- ◆ An analysis of the age profile of the members of the Province shows that the average age is 75 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the brothers has resources of their own. As the age profile increases, so too does the need to provide care for the brothers. 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 brothers 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 its missions. Currently, all donations sent overseas are to fund projects administered directly by members of the Congregation or to the General Council for its disbursement in support of projects to relieve poverty, for which it operates its own financial controls in accordance with the requirements of the Congregation and canon law. Funds donated by the charitable company are always transferred via bank transfer and proof of receipt is obtained. Reports of how the monies have been utilised and applied are obtained and fed back to the charitable company by the members of the Congregation responsible.
- ◆ 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 manager 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. The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charitable company is a long-term investor. As such, the charitable company will be able to wait for markets to 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, 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 Brothers of the Sacred Heart, Company Registration No. 0789531 (England and Wales) and Charity Registration No. 1146264

Trustee:

Approved by the trustees on:

Independent auditor's report to the trustees of the Brothers of the Sacred Heart

Opinion

We have audited the financial statements of the Brothers of the Sacred Heart (the 'charitable company') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, and 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 30 June 2024 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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 management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006,

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

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and 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 management and trustees 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 the trustee board; 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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 30 June 2024

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.

Peter Mackereth (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 30 June 2024
(including an income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Income from:							
Donations	1	95,873	1,400	97,273	79,740	4,100	83,840
Charitable activities	2	245,837	—	245,837	227,589	—	227,589
Investments and interest receivable	3	98,269	23,014	121,283	88,860	22,887	111,747
Other sources							
. Miscellaneous income		5,268	—	5,268	5,100	—	5,100
Total income		445,247	24,414	469,661	401,289	26,987	428,276
Expenditure on:							
Raising funds							
. Investment manager fees		(164)	(79)	(243)	(75)	(133)	(208)
Charitable activities							
. Support of members of the Congregation and their ministry	4	212,894	—	212,894	131,998	—	131,998
. Donations	6	132,454	45,575	178,029	140,510	44,255	184,765
Total expenditure		345,184	45,496	390,680	272,433	44,122	316,555
Net income (expenditure) before (losses) gains on investments	7	100,063	(21,082)	78,981	128,856	(17,135)	111,721
Exchange (losses) gains on cash held by investment managers		(1,294)	—	(1,294)	1,133	—	1,133
Net gains on the revaluation and disposal of listed investments	11	271,444	71,922	343,366	17,738	4,836	22,574
Net movement in funds		370,213	50,840	421,053	147,727	(12,299)	135,428
Reconciliation of funds:							
Fund balances brought forward at 1 July 2023		4,608,514	749,167	5,357,681	4,460,787	761,466	5,222,253
Fund balances carried forward at 30 June 2024		4,978,727	800,007	5,778,734	4,608,514	749,167	5,357,681

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 30 June 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets:					
Tangible assets	10		1,397,235		1,426,110
Investments					
. Listed investments and cash held for re-investment	11		3,894,229		3,495,560
. Programme related investment	12		215,853		215,853
			5,507,317		5,137,523
Current assets:					
Debtors	13	37,229		39,268	
Cash at bank and in hand		260,682		201,110	
		297,911		240,378	
Liabilities:					
Creditors: amounts falling due within one year	14	(26,494)		(20,220)	
Net current assets			271,417		220,158
Total net assets			5,778,734		5,357,681
The funds of the charitable company:					
Unrestricted funds					
. Tangible fixed assets fund	15		1,397,235		1,426,110
. Programme related investment fund	16		215,853		215,853
. Designated funds	17		2,166,633		2,116,633
. General fund			1,199,006		849,918
			4,978,727		4,608,514
Restricted funds	18		800,007		749,167
			5,778,734		5,357,681

Approved by the trustees and signed on their behalf by:

Trustee:

Approved on:

Statement of cash flows Year to 30 June 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(5,114)	(8,847)
Cash flows from investing activities:			
Investment income – listed investments and interest		109,283	99,747
Investment income – programme related investment		12,000	12,000
Proceeds from the disposal of investments		73,000	70,695
Purchase of investments		(120,000)	(141,479)
Net cash provided by investing activities		74,283	40,963
Change in cash and cash equivalents in the year		69,169	32,116
Cash and cash equivalents at 1 July 2023		275,098	241,849
Change in cash and cash equivalents due to exchange rate movements		(1,294)	1,133
Cash and cash equivalents at 30 June 2024	B	342,973	275,098

Notes to the statement of cash flows for the year to 30 June 2024.

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	421,053	135,428
Adjustments for:		
Depreciation	28,875	30,169
Gains on investments	(343,366)	(22,574)
Investment income	(121,283)	(111,747)
Exchange losses (gains)	1,294	(1,133)
Decrease (increase) in debtors	2,039	(905)
Increase (decrease) in creditors	6,274	(38,085)
Net cash used in operating activities	(5,114)	(8,847)

B Analysis of changes in cash and cash equivalents

	At 1 July 2023 £	Cash flows £	Exchange gains £	At 30 June 2024 £
Cash at bank and in hand	201,110	59,572	—	260,682
Cash held by investment managers	73,988	9,597	(1,294)	82,291
Total cash and cash equivalents	275,098	69,169	(1,294)	342,973

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 30 June 2024

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 30 June 2024 with comparative information provided in respect to the year to 30 June 2023.

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 in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Under a Uniting Direction issued by the Charity Commission under section 12(1) of the Charities Act 2011, this charity (i.e. Brothers of the Sacred Heart (Charity Registration Number 1146264)) is the reporting charity and its related charity, The Coindre Bursary Trust (Charity Registration Number 1146264-1) is the linked charity. The effect of the Uniting Direction for accountancy and reporting purposes is that a single set of accounts is presented for the two charities combined with The Coindre Bursary Trust shown as a restricted fund. Under the Uniting Direction, both charities continue to exist as independent entities in all other respects.

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 useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the value of land included as part of land and buildings to enable the calculation of depreciation on building costs alone; and
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund.

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 charity's investment income may be affected by the continuing volatility in listed investments markets due to the ongoing macroeconomic and geopolitical instabilities. Inflation has meant that costs have increased, although the overall impact is expected to be immaterial. The trustees will continue to keep income (particularly that from St Columba's College and Preparatory School) and expenditure under review but do not anticipate that the impact there will be any material impact on the charity's finances or impact on the charity's going concern.

With regard to the next accounting period, the year ending 30 June 2025, 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 market. As noted above, this is particularly relevant at the current time with political and economic uncertainties.

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 donations, legacies investment income and a recharge from associated schools.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

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

Income from charitable activities consists of a recharge from associated schools and is recognised to the extent that it is probable that economic benefits will flow to the charitable company and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Income recognition (continued)

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

Income derived from the letting of the charity's programme related investment property is recognised in the period to which the tenancy relates.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Freehold land and buildings

Freehold land and buildings purchased on or prior to 1 July 2015 are included in the financial statements at a valuation determined by the trustees as at that date with professional assistance, based on market value for existing use. As permitted by FRS 102, with effect from 1 July 2015 the value assigned to freehold land and buildings is now deemed its cost. Land and buildings purchased on or after 1 July 2015 are shown on the balance sheet at cost. Freehold land and buildings comprise a large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write off the building over its estimated useful economic life to the Congregation.

b. Other tangible fixed assets

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

- ◆ Furniture, fittings and equipment – 5% to 25% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the financial statements as their net realisable value is considered to be negligible.

Listed investments and cash held for re-investment

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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company 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 if 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.

Programme related investments

Programme related investments include a building owned by the charitable company but used by another organisation for purposes consistent with the charitable company's objectives. The original cost of the building classified as programme related investment is not known. The value at which the building is included represents expenditure on the building since 2011.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

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, if held, are disclosed as short term deposits.

Creditors

Creditors 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 are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets.

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and building owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least December 2026, the date to which the property is leased, and as such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

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.

Services provided by members of the Congregation

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

1 Income from: Donations and legacies

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Pensions and other income of individual religious received under deed of covenant	85,574	—	85,574	78,409	—	78,409
Donations	2,899	1,400	4,299	1,331	4,100	5,431
Legacies	7,400	—	7,400	—	—	—
	95,873	1,400	97,273	79,740	4,100	83,840

2 Income from: Charitable activities

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Recharge from associated schools	245,837	—	245,837	227,589	—	227,589

3 Income from: Investments and interest receivable

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Income from listed investments						
. UK equities and unitised funds	81,301	22,392	103,693	74,999	22,784	97,783
Income from programme related investment	12,000	—	12,000	12,000	—	12,000
Interest receivable	4,968	622	5,590	1,861	103	1,964
	98,269	23,014	121,283	88,860	22,887	111,747

4 Expenditure on: Support of members of the Congregation and their ministry

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Premises	37,593	—	37,593	21,098	—	21,098
Living and personal costs	41,108	—	41,108	51,701	—	51,701
Support of Brothers in the USA	43,235	—	43,235	8,716	—	8,716
Depreciation	28,875	—	28,875	30,169	—	30,169
Governance (see note 5)	11,250	—	11,250	6,810	—	6,810
Other support costs		—			—	
. Professional fees	41,449	—	41,449	6,868	—	6,868
. Accountancy	4,128	—	4,128	3,640	—	3,640
. Other	5,256	—	5,256	2,996	—	2,996
	212,894	—	212,894	131,998	—	131,998

5 Governance

	Un-restricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
Professional fees	11,250	—	11,250	6,810	—	6,810

6. Donations

	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Donation to the Congregation's Solidarity Fund – for onward distribution to projects for the relief of poverty and for education.	39,251	—	39,251	41,326	—	41,326
Donations to the Congregation's missions . Brothers' Delegation in the Philippines	93,203	4,100	97,303	99,184	—	99,184
Coindre Bursary – to provide support for students at St Columba's College and Preparatory School	—	40,475	40,475	—	44,255	44,255
Sundry donations	—	1,000	1,000	—	—	—
	132,454	45,575	178,029	140,510	44,255	184,765

7. Net income (expenditure) before (losses) gains on investments

This is stated after charging:

	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Auditor's remuneration						
. Current year	11,250	—	11,250	5,580	—	5,580
. Previous year	5,580	—	5,580	1,230	—	1,230
Depreciation	28,875	—	28,875	30,169	—	30,169

8. Staff costs, key management personnel and trustees' remuneration

The charitable company did not employ any staff during the year (2023 – none).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis comprise the trustees. They received nil remuneration or reimbursement of expenses in connection with their duties during the year (2023 – £nil).

The charitable company's trustees are all members of the Congregation. However, as the trustees mostly reside in the US, their living and personal expenses are borne by the Brothers of the Sacred Heart (US Province). Certain expenses are occasionally borne by the charitable company in respect to the general costs of the US Province and these totalled £nil in 2024 (2023 – £nil). No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2023 – none).

9. Taxation

Brothers of the Sacred Heart is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold land and building £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 July 2023 and 30 June 2024	1,606,807	62,094	24,278	1,693,179
Cost	138,031	62,094	24,278	224,403
Deemed cost (2015 valuation)	1,468,776	—	—	1,468,776
	1,606,807	62,094	24,278	1,693,179
Depreciation				
At 1 July 2023	196,661	46,130	24,278	267,069
Charge for year	25,164	3,711	—	28,875
At 30 June 2024	221,825	49,841	24,278	295,944
Net book values				
At 30 June 2024	1,384,982	12,253	—	1,397,235
At 30 June 2023	1,410,146	15,964	—	1,426,110

As permitted under FRS 102, the charitable company has adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost or deemed cost. Where a valuation has been used in prior periods this has been taken to be deemed cost under the transitional arrangements of FRS 102.

11 Listed investments and cash held for re-investment

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Listed investments						
Market value (fair value) at 1 July 2023	2,682,702	738,870	3,421,572	2,523,485	804,729	3,328,214
Additions at cost	120,000	—	120,000	141,479	—	141,479
Disposals at book value						
· Proceeds	(55,000)	(18,000)	(73,000)	—	(70,695)	(70,695)
· Net realised gains (losses)	4,896	710	5,606	—	(142)	(142)
	(50,104)	(17,290)	(67,394)	—	(70,837)	(70,837)
Net unrealised investment gains	266,548	71,212	337,760	17,738	4,978	22,716
Market value (fair value) at 30 June 2024	3,019,146	792,792	3,811,938	2,682,702	738,870	3,421,572
Cash held by investment managers for re-investment						
	76,359	5,932	82,291	68,674	5,314	73,988
	3,095,505	798,724	3,894,229	2,751,376	744,184	3,495,560
Cost of listed investments at 30 June 2024	2,587,009	493,266	3,080,275	2,514,099	505,087	3,019,186

All investments comprise Class A income units in the Sarasin Alpha Endowment Fund. All listed investments held within the Fund were dealt in on recognised stock exchanges.

12 Programme related investments

Programme related investments comprise a property occupied by St Columba's College and Preparatory School, a charitable and not-for-profit organisation, for purposes consistent with the charitable company's objectives.

	2024 £	2023 £
At 1 July 2023 and at 30 June 2024	215,853	215,853

13 Debtors

	2024 £	2023 £
Amounts receivable from St Columba's College and Preparatory School (note 20)	26,507	26,951
Other debtors	10,351	10,538
Prepayments and accrued income	371	1,779
	37,229	39,268

14 Creditors – amounts falling due within one year

	2024 £	2023 £
Expense creditors	2,168	11,689
Donations payable	11,576	—
Accruals	12,750	8,531
	26,494	20,220

15 Tangible fixed assets fund

	2024 £	2023 £
At 1 July 2023	1,426,110	1,456,279
Net movement in year	(28,875)	(30,169)
At 30 June 2024	1,397,235	1,426,110

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charitable company and are not available to finance current expenditure or meet contingencies.

16 Programme related investment fund

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and buildings owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least 24 December 2026. As such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations or part of free reserves.

	2024 £	2023 £
At 1 July 2023 and at 30 June 2024	215,853	215,853

17 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2023 £	New designations £	At 30 June 2024 £
Retirement reserve	2,050,000	—	2,050,000
Property repairs fund	66,633	50,000	116,633
	2,116,633	50,000	2,166,633

17 Designated funds (continued)

	At 1 July 2021 £	New designations £	At 30 June 2022 £
Retirement reserve	1,800,000	250,000	2,050,000
Property repairs fund	66,633	—	66,633
	1,866,633	250,000	2,116,633

Retirement reserve

The trustees have established a retirement reserve, representing monies designated by the trustees to provide for the members of the Congregation in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and those likely to be required.

Property repairs fund

The trustees had set aside £250,000 in 2020-21 to meet the planned expenditure on the Watling House property. £183,367 was utilised during that year. The remaining balance £66,633 was maintained in the fund to cover further expenditure on the property and, during the year, an additional £50,000 has been added by the trustees to the fund further urgent maintenance expenditure during the next 12 months.

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of monies held on trusts to be applied for specific purposes:

	The Coindre Bursary Trust £	Other funds £	2024 Total funds £	The Coindre Bursary Trust £	Other funds £	2023 Total funds £
At 1 July 2023	744,184	4,983	749,167	760,583	883	761,466
Income	23,014	1,400	24,414	22,887	4,100	26,987
Expenditure	(40,396)	(5,100)	(45,496)	(44,122)	—	(44,122)
Gains on investments	71,922	—	71,922	4,836	—	4,836
At 30 June 2024	798,724	1,283	800,007	744,184	4,983	749,167

The Coindre Bursary Trust represents the funds of the linked charity which are to be used to provide bursaries at St Columba's College.

19 Analysis of net assets between funds

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2023 £
Fund balances at 30 June 2023 are represented by:						
Tangible fixed assets	—	—	—	1,397,235	—	1,397,235
Listed investments	792,792	1,051,437	2,050,000	—	—	3,894,229
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	7,215	147,569	116,633	—	—	271,417
Total net assets	800,007	1,199,006	2,166,633	1,397,235	215,853	5,778,734

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2024 £
Fund balances at 30 June 2023 are represented by:						
Tangible fixed assets	—	—	—	1,426,110	—	1,426,110
Listed investments	744,184	701,376	2,050,000	—	—	3,495,560
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	4,983	148,542	66,633	—	—	220,158
Total net assets	749,167	849,918	2,116,633	1,426,110	215,853	5,357,681

The total unrealised gains as at 30 June 2024 constitute movements on revaluation of investments and are as follows:

	Un- restricted funds £	Restricted funds £	2024 Total funds £	Un- restricted funds £	Restricted funds £	2023 Total funds £
Unrealised gains at 30 June 2024 included above:						
Total unrealised gains on listed investments	432,137	299,526	731,663	168,603	233,783	402,386
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 July 2023	168,603	233,783	402,386	150,865	250,891	401,756
Less: in respect of disposals in the year	(3,014)	(5,469)	(8,483)	—	(22,086)	(22,086)
Add: net gains arising on revaluation in the year	266,548	71,212	337,760	17,738	4,978	22,716
Total unrealised gains at 30 June 2024	432,137	299,526	731,663	168,603	233,783	402,386

20 Related party transactions

St Columba's College and Preparatory School

Brother Ronald Hingle SC, Brother Ivy Leblanc SC and Brother Joseph Holthaus SC, who are trustees of the Brothers of the Sacred Heart, were also trustees of St Columba's College and Preparatory School (the College) during the financial year.

During the year ended 30 June 2024, the charity received income £245,837 (227,589) from the College in relation to the recharges under the transfer agreement (note 1).

The charity also received income of £43,759 (2023 – £59,020), being stipends due for teaching and other services provided by members of the order during the year, as well as £12,000 (2023 – £12,000) in respect of rental income in relation to the Headmaster's lodge and restricted donations of £1,400 (2023 – £nil) (Notes 1 and 2).

At 30 June 2024, debtors included £26,507 (2023 – £26,951) receivable from the College in relation to recharges under the transfer agreement, stipends of brothers and rental income for the programme related investment property (note 13).

The charitable company also reimburses costs in relation to utilities such as gas, electricity, insurance, telephone and food to the College. The amounts reimbursed during the year amounted to £26,626 (2023 – £10,562).

The Coindre Bursary Trust made donations to the College. Donations payable during the year amounted to £40,475 (2023 – £44,255) (note 6).

Other transactions

Details of other transactions with trustees are disclosed in note 8.

There are no further related party transactions requiring disclosure (2023 – none).

21 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.

BROTHERS OF THE SACRED HEART

England & Wales - Charity number 1146264

Accounts

Brothers of the Sacred Heart

Annual Report and Financial Statements

30 June 2023

Charity Registration Number
1146264

Company Registration Number
07897531 (England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	13

Financial statements

Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Principal accounting policies	21
Notes to the financial statements	26

Reference and administrative information

Trustees	Brother Ronald Hingle SC Brother Joseph Holthaus SC Brother Clifford King SC (retired 25 July 2023) Brother Barry Landry SC Brother Ivy Leblanc SC Brother Michael Migacz SC (appointed 25 July 2023)
Registered address	Brothers of the Sacred Heart Watling House 8 King Harry Lane St Albans Herts AL3 4AW
Address of the Brothers of the Sacred Heart (US Province)	Provincial Office 4600 Elysian Fields Avenue New Orleans LA 70122 USA
Charity registration number	1146264
Company registration number	07897531 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Trustees' report Year to 30 June 2023

The trustees present their annual report together with the financial statements of the Brothers of the Sacred Heart ("the charitable company") for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 25 of the attached financial statements and comply with the charitable company's Memorandum and 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 in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Brothers of the Sacred Heart is an international Roman Catholic Congregation founded in 1821 by Reverend Andre Coindre with the fundamental mission of educating the young. Today, the Congregation has just under 1,000 members spread across 30 countries. The activities of the Brothers in England and Wales are administered and accounted for through a charitable company established in 2012. The company, which is limited by guarantee, is registered with the Charity Commission, Charity Registration Number 1146264. As there is no British province of the Congregation, the members and trustees of the charitable company are the members of the Congregation's US Provincial Council.

The charitable company's objectives include the support of members of the Congregation in England, enabling such members to continue their individual ministry; providing support for Catholic education at St Columba's College and Preparatory School (the College), St Albans; supporting Catholic education in Africa, the Philippines and elsewhere in the developing world, through the provision of grants to the Congregation; and the caring for elderly members of the Congregation who are retired in England and the United States of America.

The members of the charitable company are members of the US Provincial Council of the Brothers of the Sacred Heart, elections to which are held every three years. At the elections to the US Provincial Council in October 2018, Brother Ronald Hingle SC, already a member and director/trustee of the charitable company, was elected Provincial and was re-elected in 2021. Co-opted trustees may also be appointed by the serving trustees for a term of office ending at the next Annual General Meeting. The trustees direct and manage the affairs of the charitable company. The meetings of trustees are chaired by Brother Ronald Hingle SC. Brother Ivy Leblanc SC takes primary responsibility for the financial affairs of the charitable company. They are supported by a Corporate Services consultant and an accountant, engaged on contracts for services. The charitable company has no employees.

Constitution

The Brothers of the Sacred Heart is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1146264 and Company Registration Number 07897531 (England and Wales). The charitable company was incorporated on 4 January 2012.

Relationships with Other Charities

Since 1955 the Brothers of the Sacred Heart have had a charitable foundation governed by a Trust Deed, which in 1996 was constituted as an incorporated body under the Charities Act 1993 (Charity Registration Number 231733). In April 2012 the charitable company resolved that, subject to the consent of the Charity Commission, the assets and functions of the charitable trust should be transferred to this charitable company and that this should be executed as a deed. The charitable trust was closed and removed from the Charity Commission register on 28 February 2013.

Upon transfer of the assets and functions, the charitable company has amongst other things participated in the church appeals programme of the Catholic Missionary Union of England and Wales (Charity Registration Number 1082975) to raise funds for the African missions and missions in the developing world of the Brothers of the Sacred Heart. Following the guidance of the Diocese of Westminster, stipulating that parish mission appeals be undertaken on a one-off basis only, the charitable company no longer participates in this appeals programme, with effect from 1 August 2014.

Since 1955 the Brothers of the Sacred Heart have conducted St Columba's College and Preparatory School (Charity Registration Number 1088480) as a Roman Catholic school in St Albans, Hertfordshire. The Provincial of the US Province appoints an Executive Assistant who serves as Dean of St Columba's College and as a trustee of the St Columba's College and Preparatory School charitable company. One of his major roles is to effect good communication of all College activities and development to the members of the Provincial Council. The Dean in post since 2 November 2020 is Brother Joseph Holthaus SC.

In April 2012 the charitable company executed as a deed with the charitable trust, and signed by the Provincial, a Trust Deed to transfer part of the charitable trust's funds to the charitable company to establish The Coindre Bursary Trust, an education fund held in investments with Sarasin & Partners LLP, for the purpose of providing means-tested bursaries and other forms of financial support in benefit of St Columba's College and Preparatory School. The Charity Commission recognised The Coindre Bursary Trust as a registered charity linked by a Uniting Direction with the charitable company on 28 June 2012. The transfer of assets took place on 31 July 2012.

The financial statements accompanying this report are the financial statements of the charitable company, Brothers of the Sacred Heart, 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 (the reporting charity) and The Coindre Bursary Trust (the linked charity). In accordance with the Uniting Direction, the funds of the The Coindre Bursary Trust are treated as restricted funds in the accounts of the charitable company.

Objectives, activities and relevant policies

Objectives and activities

The charitable company's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion as the trustees shall from time to time think fit. These may take place in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Consideration has been given to the Charity Commission's guidance on public benefit.

Objectives, activities and relevant policies (continued)

Objectives and activities (continued)

The charitable company's objectives include:

- ◆ Providing its vowed members the wherewithal to exercise their religious obligations and to serve as living examples of Christian discipleship to the people they meet daily;
- ◆ Providing financial support for Catholic education at St Columba's College and Preparatory School, St Albans, Hertfordshire;
- ◆ Supporting Catholic education in Africa and in the Philippines through financial assistance to the Brothers of the Sacred Heart of the Eastern and Southern Africa Province and the Brothers' Delegation in the Philippines;
- ◆ Providing financial assistance to the Brothers of the Sacred Heart to further its mission work to relieve poverty organised through the Congregation's General Council and provinces;
- ◆ Caring for elderly Brothers of the Sacred Heart of the US Province who are retired in England and in the United States; and
- ◆ Maintaining and improving the buildings owned by the Brothers of the Sacred Heart for the accommodation of the religious Congregation and for the Church's educational mission.

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the Congregation, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves in any way. This means that members engaged in any ministry in England must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA). In February 2022 the charity registered with the Religious Life Safeguarding Service (RLSS) and signed a contract to receive the safeguarding services of Religious Life Safeguarding Services Limited, including training, advice and support.

Investment policy

The charitable company has a portfolio of listed investments which together with cash awaiting investment had a market value as at 30 June 2023 of £3,495,560 (2022 – £3,420,816).

There are no restrictions on the charitable company's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established. The overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

Objectives, activities and relevant policies (continued)

Investment policy (continued)

Investments are held for the continuing support and retirement needs of the brothers and for future provision of bursaries at St Columba's College. Investments are acquired in accordance with the investment policies document contained within the charitable company's administrative document. The policies are reviewed bi-annually. The charitable company's primary investment objective is to match or exceed the portfolio benchmark established for the Continuing Community Support Fund and the Coindre Bursary Trust.

Other aspects of the investment policies include:

- ◆ Not investing in companies dealing with abortifacients, armaments and tobacco;
- ◆ Common stock securities of any company should not exceed 5% of the total market value of equities in the portfolio, with the agreed exceptions of HSBC plc and BP plc;
- ◆ No more than 10% of the portfolio should be invested in any one FTSE All Share Sector (except for the Banking sector as agreed); and
- ◆ Balancing the fund to a preferred 65% in equities, 25% fixed income, 5% property and 5% cash, within a flexible range of minimum and maximum boundaries.

The performance of the portfolio and the charitable company's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

Achievements and performance

Review of activities

During the year the charity continued to support the activities of the brothers as stated in the objectives above.

The charitable company used its funds to meet its objectives as follows.

- ◆ £131,998 (2022: £120,024) in support of the brothers, in England and in retirement in the US.
- ◆ £184,765 (2022: £168,662) in gifts and donations, including:
 - ◇ £41,326 (US \$50,000) (2022: £36,620; US \$50,000) from the reporting charity to the Solidarity Fund of the Congregation's General Council for onward distribution to projects for the relief of poverty and for education, and £99,184 (US \$120,000); (2022: £87,889; US \$120,000) in mission support to the Philippines.
 - ◇ £44,255 (2022: £44,153) provided from The Coindre Bursary Trust, the linked charity, to support bursaries at St Columba's College (in line with the agreed policy to provide 5% of the average valuation of the fund at 31 December over the three preceding years).

Achievements and performance (continued)

Review of activities (continued)

Covid-19

Other than investments, which continue to be adversely affected by world events, there have been no long-lasting adverse effects – financial or otherwise – determinable at this stage arising from the Covid 19 pandemic. The objectives of the charitable company remain in place and continue to be served by the charitable company in accordance with the current priorities of the trustees and in line with expectations preceding the pandemic. Nevertheless, the trustees continue to be vigilant, in particular by monitoring closely the principal source of income relating to the continued stability in financial performance of St Columba's College and Preparatory School.

Raising funds

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 communications 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 fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 18 of the attached financial statements.

Total income for the year amounted to £428,276 compared to £406,278 in 2022.

Expenditure amounted to £316,555 compared to £288,195 in 2022. The costs in relation to supporting members of the Province and their ministry were £131,998 (2022 - £120,024). Donations given were £184,765 (2022 - £168,662). Further details of donations given are included in note 6 to the financial statements and above.

The net income for the year before investment gains was £111,721 (2022 - £118,083). The net investment gains totalled £22,574 (2022: losses - £272,253) and exchange gains on cash held by investment managers were £1,133 (2022 - £608). When these net gains (2022 – net losses) are accounted for, the overall impact on the charitable company's funds is an increase of £135,428 (2022- decrease of £153,562) for the year.

Investment performance

During the year to 30 June 2023, the charitable company's listed investments produced an income yield of 2.9% (2022 – 2.65%) and a positive capital yield of 0.7% (2022 – negative capital yield of 7.8%).

Financial report for the year (continued)

Reserves policy and financial position

Reserves policy

As explained above, the charitable company carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment. The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equivalent to 36 months' expenditure. The trustees are of the opinion that this reflects the charitable company's reliance on investments to generate investment income to fund recurring expenditure, and the continued performance of St Columba's College and Preparatory School, from which the charitable company receives most of its income. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charitable company to cope in the aftermath to Covid-19 and the current macroeconomic and geopolitical climate and respond to other unforeseen emergencies whilst specific action plans are implemented. The brothers in England receive minimal stipends for their work. The reserves also maintain the cost of sustaining the brothers' residence in England.

Financial position

The balance sheet shows total funds £5,357,681 (2022 – £5,222,253).

These funds include restricted funds of £749,167 (2022 - £761,466). £744,184 (2022 - £760,583) in respect to the linked charity, The Coindre Bursary Trust. These funds are represented by The Coindre Bursary Trust's investment portfolio, intended for future provision of bursaries at St Columba's College. Further details of restricted funds are given in note 18 to the financial statements.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £1,426,110 (2022 – £1,456,279) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Congregation to carry out its charitable work and are not available to fund activities or meet future commitments. The programme related investment fund equal to the cost of the property used by St Columba's College and Preparatory School amounted to £215,853 (2022 – £215,853).

An amount of £2,050,000 (2022 – £1,800,000) has been designated to meet the costs of the care and welfare of members of the Province as they grow old or frail. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future. The reserves are set aside for the continuing support of the brothers in St Albans and for the needs of retired brothers both in England and the United States. It is estimated that the funds must help support elderly brothers for the next 25 years.

Financial report for the year (continued)

Reserves policy and financial position (continued)

£66,633 represents the balance of £250,000 designated in 2020 towards the cost of future property maintenance and repairs, to which a further £50,000 has been designated by the trustees post year-end towards the outstanding capital works planned on the Watling House site.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in the notes to the financial statements.

General funds or 'free reserves' of the charitable company at 30 June 2023 total £849,918 (2022 – £922,022).

The trustees consider that this level of free reserves is in accordance with the charitable company's reserves policy stated above. The trustees are of this opinion given the volatility in world stock markets at the present time due to the political and economic uncertainties. They also accept that in the years ahead, members of the Province may require increasing and increasingly expensive health care, and that the designated retirement fund of £2,050,000 described above may prove to be inadequate and it is the intention of the trustees to increase the fund over time.

Future plans

The trustees having reviewed their funding policy post year-end have agreed to continue to meet the objectives of the charity in the following ways:

- (i) To designate funds to support the future needs of the ageing Brothers' membership of the US Province and to support the living costs of the Brothers resident in the UK;
- (ii) To make an annual contribution of at least US \$50,000 to the Institute's Solidarity Fund to help fund Brothers' ministries in the developing world.
- (iii) To make an annual contribution of circa US \$120,000 to the Delegation of the Philippines.
- (iv) To make an annual donation from the Coindre Bursary Trust to St Columba's College and Preparatory School for the provision of school bursaries.
- (v) To support the formation of new Brothers, staff and other non-member charity representatives in the charism of the Brothers in furtherance of its charitable activities.

Governance, Structure and Management

Governance

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 07897531 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1146264).

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and financial statements.

Governance, Structure and Management (continued)

Trustees (continued)

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

Trustees

Brother Ronald Hingle SC
Brother Clifford King SC
Brother Joseph Holthaus SC
Brother Barry Landry SC
Brother Ivy Leblanc SC

Brother Clifford King retired on 25 July 2023) and Brother Michael Migacz was appointed on 25 July 2023.

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 brothers 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 four times a year to review developments with regard to the charitable company or its activities and 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 Province and to lay consultants and advisers as necessary.

Trustees receive induction from their professional advisers at the time of their appointment, in particular on company and charity law and trustees' duties, utilising in particular guidance provided by the Charity Commission for England and Wales. Trustees are kept updated with changes in relevant regulations and guidance by their professional advisers, they attend the annual Catholic Charity Conference, and receive regular communications from the Conference of Religious in England and Wales, the Diocese of Westminster, and from their professional advisers.

Governance, Structure and Management (continued)

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, with the support of their professional advisers, comprise the key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis.

Governance, Structure and Management (continued)

Key management (continued)

All trustees are members of the Congregation and 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 Brothers of the Sacred Heart 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.

- ◆ 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 he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Governance, Structure and Management (continued)

Statement of trustees' responsibilities (continued)

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims and in planning the work of members of the Congregation, 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. The continuing Covid-19 pandemic has clearly given rise to challenges and threats to the well-being of the charitable company and its activities which could not have been foreseen.

The key risks for the charitable company, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Revenue income is dependent on the payments from St Columba's College and Preparatory School for use of the charitable company's property, which in turn is dependent on the annual school roll. Close communication with the College is being maintained and the matter kept under constant review so that measures can be taken if and when there is any early warning of a likely drop in revenue income. Recent strategic decisions by the College have helped to maintain the annual school roll.
- ◆ An analysis of the age profile of the members of the Province shows that the average age is 75 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the brothers has resources of their own. As the age profile increases, so too does the need to provide care for the brothers, particularly with the risk associated with contracting Covid-19 (where necessary, brothers at greatest risk have been moved to help protect their safety). 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 brothers 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 its missions. Currently, all donations sent overseas are to fund projects administered directly by members of the Congregation or to the General Council for its disbursement in support of projects to relieve poverty, for which it operates its own financial controls in accordance with the requirements of the Congregation and canon law. Funds donated by the charitable company are always transferred via bank transfer and proof of receipt is obtained. Reports of how the monies have been utilised and applied are obtained and fed back to the charitable company by the members of the Congregation responsible.

Governance, Structure and Management (continued)

Risk management (continued)

- ◆ 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 manager 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. The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charitable company is a long term investor. As such, the charitable company will be able to wait for markets to 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, 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 Brothers of the Sacred Heart, Company Registration No. 0789531 (England and Wales) and Charity Registration No. 1146264

Trustee: Br Joseph Holthaus SC

Approved by the trustees on: 29 January 2024

Independent auditor's report to the trustees of The Brothers of the Sacred Heart

Opinion

We have audited the financial statements of the Brothers of the Sacred Heart (the 'charitable company') for the year ended 30 June 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 30 June 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 (who are also the directors of the charitable company for the purposes of company law) 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.

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 management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006,

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

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and 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 management and trustees 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 the trustee board; and
- ◆ Enquiring of as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 30 June 2023

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

19 March 2024

Statement of financial activities Year to 30 June 2023
(including an income and expenditure account)

	Notes	Un- restricted funds £	Restricted funds £	2023 Total funds £	Un- restricted funds £	Restricted funds £	2022 Total funds £
Income from:							
Donations	1	79,740	4,100	83,840	81,043	333	81,376
Charitable activities	2	227,589	—	227,589	215,662	—	215,662
Investments and interest receivable	3	88,860	22,887	111,747	81,780	22,660	104,440
Other sources							
. Miscellaneous income		5,100	—	5,100	4,800	—	4,800
Total income		401,289	26,987	428,276	383,285	22,993	406,278
Expenditure on:							
Raising funds							
. Investment manager fees		(75)	(133)	(208)	(397)	(94)	(491)
Charitable activities							
. Support of members of the Congregation and their ministry	4	131,998	—	131,998	120,024	—	120,024
. Donations	6	140,510	44,255	184,765	124,509	44,153	168,662
Total expenditure		272,433	44,122	316,555	244,136	44,059	288,195
Net income (expenditure) before gains (losses) on investments	7	128,856	(17,135)	111,721	139,149	(21,066)	118,083
Exchange gains on cash held by investment managers		1,133	—	1,133	608	—	608
Net gains (losses) on the revaluation and disposal of listed investments	11	17,738	4,836	22,574	(207,369)	(64,884)	(272,253)
Net movement in funds		147,727	(12,299)	135,428	(67,612)	(85,950)	(153,562)
Reconciliation of funds:							
Fund balances brought forward at 1 July 2022		4,460,787	761,466	5,222,253	4,528,399	847,416	5,375,815
Fund balances carried forward at 30 June 2023		4,608,514	749,167	5,357,681	4,460,787	761,466	5,222,253

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 30 June 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	10		1,426,110		1,456,279
Investments					
. Listed investments and cash held for re-investment	11		3,495,560		3,420,816
. Programme related investment	12		215,853		215,853
			5,137,523		5,092,948
Current assets:					
Debtors	13	39,268		38,363	
Cash at bank and in hand		201,110		149,247	
		240,378		187,610	
Liabilities:					
Creditors: amounts falling due within one year	14	(20,220)		(58,305)	
Net current assets			220,158		129,305
Total net assets			5,357,681		5,222,253
The funds of the charitable company:					
Unrestricted funds					
. Tangible fixed assets fund	15		1,426,110		1,456,279
. Programme related investment fund	16		215,853		215,853
. Designated funds	17		2,116,633		1,866,633
. General fund			849,918		922,022
			4,608,514		4,460,787
Restricted funds	18		749,167		761,466
			5,357,681		5,222,253

Approved by the trustees and signed on their behalf by:

Trustee: Br Joseph Holthaus SC

Approved on: 29 January 2024

Brothers of the Sacred Heart
Company Registration No. 0789531 (England and Wales)

Statement of cash flows Year to 30 June 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(8,847)	84,247
Cash flows from investing activities:			
Investment income – listed investments and interest		99,747	92,440
Investment income – programme related investment		12,000	12,000
Proceeds from the disposal of investments		70,695	106,000
Purchase of investments		(141,479)	(322,068)
Net cash provided by (used in) investing activities		40,963	(111,628)
Change in cash and cash equivalents in the year		32,116	(27,381)
Cash and cash equivalents at 1 July 2022		241,849	268,622
Change in cash and cash equivalents due to exchange rate movements		1,133	608
Cash and cash equivalents at 30 June 2023	B	275,098	241,849

Notes to the statement of cash flows for the year to 30 June 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	135,428	(153,562)
Adjustments for:		
Depreciation	30,169	30,170
(Gains) losses on investments	(22,574)	272,253
Investment income	(111,747)	(104,440)
Exchange gains	(1,133)	(608)
Increase in debtors	(905)	(2,500)
(Decrease) increase in creditors	(38,085)	42,934
Net cash (used in) provided by operating activities	(8,847)	84,247

B Analysis of changes in cash and cash equivalents

	At 1 July 2022 £	Cash flows £	Exchange gains £	At 30 June 2023 £
Cash at bank and in hand	149,247	51,863	—	201,110
Cash held by investment managers	92,602	(19,747)	1,133	73,988
Total cash and cash equivalents	241,849	32,116	1,133	275,098

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 30 June 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 30 June 2023 with comparative information provided in respect to the year to 30 June 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 in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Under a Uniting Direction issued by the Charity Commission under section 12(1) of the Charities Act 2011, this charity (i.e. Brothers of the Sacred Heart (Charity Registration Number 1146264)) is the reporting charity and its related charity, The Coindre Bursary Trust (Charity Registration Number 1146264-1) is the linked charity. The effect of the Uniting Direction for accountancy and reporting purposes is that a single set of accounts is presented for the two charities combined with The Coindre Bursary Trust shown as a restricted fund. Under the Uniting Direction, both charities continue to exist as independent entities in all other respects.

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 useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the value of land included as part of land and buildings to enable the calculation of depreciation on building costs alone;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement 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 charity's investment income may be affected by the continuing volatility in listed investments markets due to the ongoing macroeconomic and geopolitical instabilities. Inflation has meant that costs have increased, although the overall impact is expected to be immaterial. The trustees will continue to keep income (particularly that from St Columba's College and Preparatory School) and expenditure under review but do not anticipate that the impact there will be any material impact on the charity's finances or impact on the charity's going concern.

With regard to the next accounting period, the year ending 30 June 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 market. As noted above, this is particularly relevant at the current time with political and economic uncertainties.

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 donations, investment income and recharge from associated schools.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

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

Income from charitable activities consists of a recharge from associated schools and is recognised to the extent that it is probable that economic benefits will flow to the charitable company and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Investment income is recognised once the dividend or equivalent 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 charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income recognition (continued)

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Freehold land and buildings

Freehold land and buildings purchased on or prior to 1 July 2015 are included in the financial statements at a valuation determined by the trustees as at that date with professional assistance, based on market value for existing use. As permitted by FRS 102, with effect from 1 July 2015 the value assigned to freehold land and buildings is now deemed its cost. Land and buildings purchased on or after 1 July 2015 are shown on the balance sheet at cost. Freehold land and buildings comprise a large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write off the building over its estimated useful economic life to the Congregation.

Tangible fixed assets (continued)

b. Other tangible fixed assets

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

- ◆ Furniture, fittings and equipment – 5% to 25% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the financial statements as their net realisable value is considered to be negligible.

Listed investments and cash held for re-investment

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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company 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 if 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.

Programme related investments

Programme related investments include a building owned by the charitable company but used by another organisation for purposes consistent with the charitable company's objectives. The original cost of the building classified as programme related investment is not known. The value at which the building is included represents expenditure on the building since 2011.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

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

Creditors

Creditors 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 are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets.

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and building owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least December 2026, the date to which the property is leased, and as such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

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.

Services provided by members of the Congregation

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

1 Income from: Donations and legacies

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Pensions and other income of individual religious received under deed of covenant	78,409	—	78,409	78,992	—	78,992
Donations	1,331	4,100	5,431	2,051	333	2,384
	79,740	4,100	83,840	81,043	333	81,376

2 Income from: Charitable activities

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Recharge from associated schools	227,589	—	227,589	215,662	—	215,662

3 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Income from listed investments						
. UK equities and unitised funds	74,999	22,784	97,783	69,738	22,642	92,380
Income from programme related investment	12,000	—	12,000	12,000	—	12,000
Interest receivable	1,861	103	1,964	42	18	60
	88,860	22,887	111,747	81,780	22,660	104,440

4 Expenditure on: Support of members of the Congregation and their ministry

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Premises	21,098	—	21,098	19,548	—	19,548
Living and personal costs	51,701	—	51,701	45,398	—	45,398
Support of Brothers in the USA	8,716	—	8,716	8,542	—	8,542
Depreciation	30,169	—	30,169	30,169	—	30,169
Governance (see note 5)	6,810	—	6,810	5,070	—	5,070
Other support costs		—				
. Professional fees	6,868	—	6,868	6,790	—	6,790
. Accountancy	3,640	—	3,640	3,420	—	3,420
. Other	2,996	—	2,996	1,087	—	1,087
	131,998	—	131,998	120,024	—	120,024

5 Governance

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Professional fees	6,810	—	6,810	5,070	—	5,070

6. Donations

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Donation to the Congregation's Solidarity Fund – for onward distribution to projects for the relief of poverty and for education.	41,326	—	41,326	36,620	—	36,620
Donations to the Congregation's missions						
. Brothers' Delegation in the Philippines	99,184	—	99,184	87,889	—	87,889
Coindre Bursary – to provide support for students at St Columba's College and Preparatory School	—	44,255	44,255	—	44,153	44,153
	140,510	44,255	184,765	124,509	44,153	168,662

7. Net income (expenditure) before gains (losses) on investments

This is stated after charging:

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Auditor's remuneration						
. Current year	5,580	—	5,580	5,070	—	5,070
. Previous year	1,230	—	1,230	—	—	—
Depreciation	30,169	—	30,169	30,170	—	30,170

8. Staff costs, key management personnel and trustees' remuneration

The charitable company did not employ any staff during the year (2022 – none).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis comprise the trustees. They received nil remuneration or reimbursement of expenses in connection with their duties during the year (2022 – £nil).

The charitable company's trustees are all members of the Congregation. However, as the trustees mostly reside in the US, their living and personal expenses are borne by the Brothers of the Sacred Heart (US Province). Certain expenses are occasionally borne by the charitable company in respect to the general costs of the US Province and these totalled £nil in 2023 (2022 - £nil). No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2022 – none).

9. Taxation

Brothers of the Sacred Heart is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold land and building £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 July 2022 and 30 June 2023	1,606,807	62,094	24,278	1,693,179
Cost	138,031	62,094	24,278	224,403
Deemed cost (2015 valuation)	1,468,776	—	—	1,468,776
	<u>1,606,807</u>	<u>62,094</u>	<u>24,278</u>	<u>1,693,179</u>
Depreciation				
At 1 July 2022	171,610	41,012	24,278	236,900
Charge for year	25,164	5,005	—	30,169
At 30 June 2023	<u>196,774</u>	<u>46,017</u>	<u>24,278</u>	<u>267,069</u>
Net book values				
At 30 June 2023	<u>1,410,033</u>	<u>16,077</u>	<u>—</u>	<u>1,426,110</u>
At 30 June 2022	<u>1,435,197</u>	<u>21,082</u>	<u>—</u>	<u>1,456,279</u>

As permitted under FRS 102, the charitable company has now adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost or deemed cost. Where a valuation has been used in prior periods this has been taken to be deemed cost under the transitional arrangements of FRS 102.

11 Listed investments and cash held for re-investment

	Un- restricted funds £	Restricted funds £	2023 Total funds £	Un- restricted funds £	Restricted funds £	2022 Total funds £
Listed investments						
Market value (fair value) at 1 July 2022	2,523,485	804,729	3,328,214	2,543,028	841,371	3,384,399
Additions at cost	141,479	—	141,479	293,826	28,242	322,068
Disposals at book value						
. Proceeds	—	(70,695)	(70,695)	(106,000)	—	(106,000)
. Net realised losses	—	(142)	(142)	(5,755)	—	(5,755)
	—	(70,837)	(70,837)	(111,755)	—	(111,755)
Net unrealised investment gains (losses)	17,738	4,978	22,716	(201,614)	(64,884)	(266,498)
Market value (fair value) at 30 June 2023	2,682,702	738,870	3,421,572	2,523,485	804,729	3,328,214
Cash held by investment managers for re-investment						
	68,674	5,314	73,988	92,595	7	92,602
	2,751,376	744,184	3,495,560	2,616,080	804,736	3,420,816
Cost of listed investments at 30 June 2023	2,514,099	505,087	3,019,186	2,372,620	553,838	2,926,458

All investments comprise Class A income units in the Sarasin Alpha Endowment Fund. All listed investments held within the Fund were dealt in on recognised stock exchanges.

12 Programme related investments

Programme related investments comprise a property occupied by St Columba's College and Preparatory School, a charitable and not-for-profit organisation, for purposes consistent with the charitable company's objectives.

	2023 £	2022 £
At 1 July 2022 and at 30 June 2023	215,853	215,853

13 Debtors

	2023 £	2022 £
Amounts receivable from St Columba's College and Preparatory School (note 20)	26,951	27,134
Other debtors	10,538	9,119
Prepayments and accrued income	1,779	2,110
	39,268	38,363

14 Creditors – amounts falling due within one year

	2023 £	2022 £
Expense creditors	11,689	2,751
Donations payable	—	44,153
Accruals	8,531	11,401
	20,220	58,305

15 Tangible fixed assets fund

	2023 £	2022 £
At 1 July 2022	1,456,279	1,486,449
Net movement in year	(30,169)	(30,170)
At 30 June 2023	1,426,110	1,456,279

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charitable company and are not available to finance current expenditure or meet contingencies.

16 Programme related investment fund

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and buildings owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least 24 December 2026. As such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations or part of free reserves.

	2023 £	2022 £
At 1 July 2022 and at 30 June 2023	215,853	215,853

17 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2022 £	Amount used £	At 30 June 2023 £
Retirement reserve	1,800,000	250,000	2,050,000
Property repairs fund	66,633	—	66,633
	1,866,633	250,000	2,116,633

17 Designated funds (continued)

	At 1 July 2021 £	Amount used £	At 30 June 2022 £
Retirement reserve	1,800,000	—	1,800,000
Property repairs fund	66,633	—	66,633
	1,866,633	—	1,866,633

Retirement reserve

During the year to 30 June 2019 the trustees established a retirement reserve, representing monies designated by the trustees to provide for the members of the Congregation in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and those likely to be required.

Property repairs fund

The trustees had set aside £250,000 in 2020-21 to meet the planned expenditure on the Watling House property. £183,367 was utilised during that year. The remaining £66,633 was maintained in the fund during the year to cover further expenditure on the property and, subsequent to the year end, an additional £50,000 has been added by the trustees to the fund post year-end pending expenditure due within the next 12 months.

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of monies held on trusts to be applied for specific purposes:

	The Coindre Bursary Trust £	Other funds £	2023 Total funds £	The Coindre Bursary Trust £	Other funds £	2022 Total funds £
At 1 July 2022	760,583	883	761,466	846,866	550	847,416
Income	22,887	4,100	26,987	22,660	333	22,993
Expenditure	(44,122)	—	(44,122)	(44,059)	—	(44,059)
Gains on investments	4,836	—	4,836	(64,884)	—	(64,884)
At 30 June 2023	744,184	4,983	749,167	760,583	883	761,466

The Coindre Bursary Trust represents the funds of the linked charity which are to be used to provide bursaries at St Columba's College.

19 Analysis of net assets between funds

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2023 £
Fund balances at 30 June 2023 are represented by:						
Tangible fixed assets	—	—	—	1,426,110	—	1,426,110
Listed investments	744,184	701,376	2,050,000	—	—	3,495,560
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	4,983	148,542	66,633	—	—	220,158
Total net assets	749,167	849,918	2,116,633	1,426,110	215,853	5,357,681

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2022 £
Fund balances at 30 June 2022 are represented by:						
Tangible fixed assets	—	—	—	1,456,279	—	1,456,279
Listed investments	804,736	816,080	1,800,000	—	—	3,420,816
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	(43,270)	105,942	66,633	—	—	129,305
Total net assets	761,466	922,022	1,866,633	1,456,279	215,853	5,222,253

The total unrealised gains as at 30 June 2023 constitute movements on revaluation of investments and are as follows:

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Unrealised gains at 30 June 2023 included above:						
Total unrealised gains on listed investments	168,603	233,783	402,386	150,865	250,891	401,756
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 July 2022	150,865	250,891	401,756	367,157	315,775	682,932
Less: in respect to disposals in the year	—	(22,086)	(22,086)	(14,678)	—	(14,678)
Add: net gains (losses) arising on revaluation in the year	17,738	4,978	22,716	(201,614)	(64,884)	(266,498)
Total unrealised gains at 30 June 2023	168,603	233,783	402,386	150,865	250,891	401,756

20 Related party transactions

Brother Ronald Hingle SC, Brother Ivy Leblanc SC and Brother Joseph Holthaus SC were trustees of the Brothers of the Sacred Heart in addition to being trustees of St Columba's College and Preparatory School (the College) during the financial year. During the year to 30 June 2023 income was received from the College as disclosed in notes 1 and 2.

At 30 June 2023, debtors included £26,951 (2022 - £27,134) receivable from the College in relation to recharges under the transfer agreement, stipends of brothers and rental income for the programme related investment property (note 13).

The charitable company also reimburses costs in relation to utilities such as gas, electricity, insurance, telephone and food to the College. The amounts reimbursed during the year amounted to £10,562 (2022 - £7,560).

The Coindre Bursary Trust made donations to the College. Donations payable during the year amounted to £44,255 (2022 - £44,153).

Details of other transactions with trustees are disclosed in note 8.

There are no further related party transactions requiring disclosure (2022 – none).

21 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.

BROTHERS OF THE SACRED HEART

England & Wales - Charity number 1146264

Accounts

Brothers of the Sacred Heart

Annual Report and Financial Statements

30 June 2022

Charity Registration Number
1146264

Company Registration Number
07897531 (England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's statement	14

Financial statements

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the financial statements	28

Reference and administrative information

Trustees	Brother Ronald Hingle SC Brother Joseph Holthaus SC Brother Clifford King SC Brother Barry Landry SC Brother Ivy Leblanc SC
Registered address	Brothers of the Sacred Heart Watling House 8 King Harry Lane St Albans Herts AL3 4AW
Address of the Brothers of the Sacred Heart (US Province)	Provincial Office 4600 Elysian Fields Avenue New Orleans LA 70122 USA
Charity registration number	1146264
Company registration number	07897531 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Trustees' report Year to 30 June 2022

The trustees present their annual report together with the financial statements of the Brothers of the Sacred Heart ("the charitable company") for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 27 of the attached financial statements and comply with the charitable company's Memorandum and 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 in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Brothers of the Sacred Heart is an international Roman Catholic Congregation founded in 1821 by Reverend Andre Coindre with the fundamental mission of educating the young. Today, the Congregation has just under 1,000 members spread across 30 countries. The activities of the Brothers in England and Wales are administered and accounted for through a charitable company established in 2012. The company, which is limited by guarantee, is registered with the Charity Commission, Charity Registration Number 1146264. As there is no British province of the Congregation, the members and trustees of the charitable company are the members of the Congregation's US Provincial Council.

The charitable company's objectives include the support of members of the Congregation in England, enabling such members to continue their individual ministry; providing support for Catholic education at St Columba's College and Preparatory School (the College), St Albans; supporting Catholic education in Africa, the Philippines and elsewhere in the developing world, through the provision of grants to the Congregation; and the caring for elderly members of the Congregation who are retired in England and the United States of America.

The members of the charitable company are members of the US Provincial Council of the Brothers of the Sacred Heart. At the elections to the US Provincial Council in October 2018, Brother Ronald Hingle SC, already a member and director/trustee of the charitable company, was elected Provincial. Co-opted trustees may also be appointed by the serving trustees for a term of office ending at the next Annual General Meeting. The trustees direct and manage the affairs of the charitable company. The meetings of trustees are chaired by Brother Ronald Hingle SC. Brother Ivy Leblanc SC takes primary responsibility for the financial affairs of the charitable company. They are supported by a Corporate Services consultant and an Accountant, engaged on contracts for services. The charitable company has no employees.

Constitution

The Brothers of the Sacred Heart is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1146264 and Company Registration Number 07897531 (England and Wales). The charitable company was incorporated on 4 January 2012.

Relationships with Other Charities

Since 1955 the Brothers of the Sacred Heart have had a charitable foundation governed by a Trust Deed, which in 1996 was constituted as an incorporated body under the Charities Act 1993 (Charity Registration Number 231733). In April 2012 the charitable company resolved that, subject to the consent of the Charity Commission, the assets and functions of the charitable trust should be transferred to this charitable company and that this should be executed as a deed. The charitable trust was closed and removed from the Charity Commission register on 28 February 2013.

Upon transfer of the assets and functions, the charitable company has amongst other things participated in the church appeals programme of the Catholic Missionary Union of England and Wales (Charity Registration Number 1082975) to raise funds for the African missions and missions in the developing world of the Brothers of the Sacred Heart. Following the guidance of the Diocese of Westminster, stipulating that parish mission appeals be undertaken on a one-off basis only, the charitable company no longer participates in this appeals programme, with effect from 1 August 2014.

Since 1955 the Brothers of the Sacred Heart have conducted St Columba's College and Preparatory School (Charity Registration Number 1088480) as a Roman Catholic school in St Albans, Hertfordshire. The Provincial of the US Province appoints an Executive Assistant who serves as Dean of St Columba's College and as a trustee of the St Columba's College and Preparatory School charitable company. One of his major roles is to effect good communication of all College activities and development to the members of the Provincial Council. The Dean in post on 1 July 2020, Brother Daniel St Jacques SC, is not a member of the US Provincial Council, but was a Trustee of the charitable company until 23 March 2017 and was a trustee of ZAMCOG (Charity Registration Number 1136086) until 14 November 2018, which has been a recipient of the charitable company's funds in previous years. Brother Joseph Holthaus SC replaced Brother Daniel St Jacques as Dean with effect from 2 November 2020.

In April 2012 the charitable company executed as a deed with the charitable trust, and signed by the Provincial, a Trust Deed to transfer part of the charitable trust's funds to the charitable company to establish The Coindre Bursary Trust, an education fund held in investments with Sarasin & Partners LLP, for the purpose of providing means-tested bursaries and other forms of financial support in benefit of St Columba's College and Preparatory School. The Charity Commission recognised The Coindre Bursary Trust as a registered charity linked by a Uniting Direction with the charitable company on 28 June 2012. The transfer of assets took place on 31 July 2012.

The financial statements accompanying this report are the financial statements of the charitable company, Brothers of the Sacred Heart, 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 (the reporting charity) and The Coindre Bursary Trust (the linked charity). In accordance with the Uniting Direction, the funds of the The Coindre Bursary Trust are treated as restricted funds in the accounts of the charitable company.

Objectives, activities and relevant policies

Objectives and activities

The charitable company's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion as the trustees shall from time to time think fit. These may take place in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Consideration has been given to the Charity Commission guidance on public benefit.

The charitable company's objectives include:

- ◆ Providing its vowed members the wherewithal to exercise their religious obligations and to serve as living examples of Christian discipleship to the people they meet daily;
- ◆ Providing financial support for Catholic education at St Columba's College and Preparatory School, St Albans, Hertfordshire;
- ◆ Supporting Catholic education in Africa and in the Philippines through financial assistance to the Brothers of the Sacred Heart of the Eastern and Southern Africa Province and the Brothers' Delegation in the Philippines;
- ◆ Providing financial assistance to the Brothers of the Sacred Heart to further its mission work to relieve poverty organised through the Congregation's General Council and provinces;
- ◆ Caring for elderly Brothers of the Sacred Heart of the US Province who are retired in England and in the United States; and
- ◆ Maintaining and improving the buildings owned by the Brothers of the Sacred Heart for the accommodation of the religious Congregation and for the Church's educational mission.

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the Congregation, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves in any way. This means that members engaged in any ministry in England must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA). In February 2022 the charity registered with the Religious Life Safeguarding Service (RLSS) and signed a contract to receive the safeguarding services of Religious Life Safeguarding Services Limited, including training, advice and support.

Investment policy

The charitable company has a portfolio of listed investments which together with cash awaiting investment had a market value as at 30 June 2022 of £3,420,816 (2021 – £3,454,039).

Objectives, activities and relevant policies (continued)

Investment policy (continued)

There are no restrictions on the charitable company's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established. The overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

Investments are held for the continuing support and retirement needs of the brothers and for future provision of bursaries at St Columba's College. Investments are acquired in accordance with the investment policies document contained within the charitable company's administrative document. The policies are reviewed bi-annually. The charitable company's primary investment objective is to match or exceed the portfolio benchmark established for the Continuing Community Support Fund and the Coindre Bursary Trust.

Other aspects of the investment policies include:

- ◆ Not investing in companies dealing with abortifacients, armaments and tobacco;
- ◆ Common stock securities of any company should not exceed 5% of the total market value of equities in the portfolio, with the agreed exceptions of HSBC plc and BP plc;
- ◆ No more than 10% of the portfolio should be invested in any one FTSE All Share Sector (except for the Banking sector as agreed); and
- ◆ Balancing the fund to a preferred 65% in equities, 25% fixed income, 5% property and 5% cash, within a flexible range of minimum and maximum boundaries.

The performance of the portfolio and the charitable company's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

Achievements and performance

Review of activities

During the year the charity continued to support the activities of the brothers as stated in the objectives above.

The charitable company used its funds to meet its objectives as follows.

- ◆ £120,024 (2021: £153,191) in support of the brothers, in England and in retirement in the US.

Achievements and performance (continued)

Review of activities (continued)

- ♦ £168,662 (2021: £131,277) in gifts and donations, including:
 - £36,620 (US \$50,000) (2021 £18,289; US \$25,000) from the reporting charity to the Solidarity Fund of the Congregation's General Council for onward distribution to projects for the relief of poverty and for education, and £87,889 (US \$120,000; 2021: £112,686) in mission support to the Philippines.
 - £44,153 (2021: £35,000) provided from The Coindre Bursary Trust, the linked charity, to support bursaries at St Columba's College (in line with the agreed policy to provide 5% of the average valuation of the fund at 31 December over the three preceding years).

Covid-19

The Covid-19 pandemic continued to impact the shape and nature of the world for part of the year to June 2022. It impacted not only the basic nature of social interactions but also had a significant economic impact at every level in ways which have been outside of the charitable company's control.

The Brothers resident in England, who are all at least 70 years of age, had to continue to adhere to the government's advice.

In the short term, the adverse conditions have been successfully navigated. The trustees will continue to keep both income and expenditure under review but do not anticipate that the impact on the charitable company's finances will be material or impact on the charitable company's going concern.

Raising funds

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 communications 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 fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 19 of the attached financial statements.

Total income for the year amounted to £406,278 compared to £404,641 in 2021.

Expenditure amounted to £288,195 compared to £320,276 in 2021. the costs in relation to supporting members of the Province and their ministry were £120,024 (2021 - £153,191). Donations given were £168,662 (2021 - £166,277). Further details of donations given are included in note 6 to the financial statements and above.

The net income for the year before investment gains was £118,083 (2021 - £84,365). The net investment losses totalled £272,253 (2021 gains - £344,704) and exchange gains on cash held by investment managers were £608 (2021 - £115). When these net losses (2021 - gains) are accounted for, the overall impact on the charitable company's funds is a decrease of £153,562 (2021- increase of £429,184) for the year.

Investment performance

During the year to 30 June 2022, the charitable company's listed investments produced an income yield of 2.65% (2021 – 3.24%) and a negative capital yield of 7.8% (2021 – positive capital yield of 11.52%).

Reserves policy and financial position

Reserves policy

As explained above, the charitable company carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment. The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equivalent to 36 months' expenditure. The trustees are of the opinion that this reflects the charitable company's reliance on investments to generate investment income to fund recurring expenditure, and the continued performance of St Columba's College and Preparatory School, from which the charitable company receives most of its income. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charitable company to cope in the aftermath to Covid-19 and the current macroeconomic and geopolitical climate and respond to other unforeseen emergencies whilst specific action plans are implemented. The brothers in England receive minimal stipends for their work. The reserves also maintain the cost of sustaining the brothers' residence in England.

Financial report for the year (continued)

Reserves policy and financial position (continued)

Financial position (continued)

The balance sheet shows total funds £5,222,253 (2021 – £5,375,815).

These funds include restricted funds of £761,466 (2021 - £847,416). £760,583 (2021 - £846,866) in respect to the linked charity, The Coindre Bursary Trust. These funds are represented by The Coindre Bursary Trust's investment portfolio, intended for future provision of bursaries at St Columba's College. Further details of restricted funds are given in note 18 to the financial statements.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £1,456,279 (2021 – £1,486,449) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Congregation to carry out its charitable work and are not available to fund activities or meet future commitments. The programme related investment fund equal to the cost of the property used by St Columba's College and Preparatory School amounted to £215,853 (2021 – £215,853).

An amount of £1,800,000 (2021 – £1,800,000) has been designated to meet the costs of the care and welfare of members of the Province as they grow old or frail. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future. The reserves are set aside for the continuing support of the brothers in St Albans and for the needs of retired brothers both in England and the United States. It is estimated that the funds must help support elderly brothers for the next 25 years, particularly taking account of the risk to an ageing membership of suffering from Covid-19.

£66,633 represents the balance of £250,000 designated in 2020 towards the cost of future property maintenance and repairs.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in the notes to the financial statements.

General funds or 'free reserves' of the charitable company at 30 June 2022 total £922,022 (2021 – £959,464).

The trustees consider that this level of free reserves is in accordance with the charitable company's reserves policy stated above. The trustees are of this opinion given the volatility in world stock markets at the present time due to the political and economic uncertainties. They also accept that in the years ahead, members of the Province may require increasing and increasingly expensive health care, and that the designated retirement fund of £1,800,000 described above may prove to be inadequate and it is the intention of the trustees to increase the fund over time.

Future plans

The trustees plan that the work of the charitable company will continue without any significant change in the short term.

It is the intention of the trustees of the charity to continue to respond to the needs of the times and fulfil public benefit and to meet the objectives of caring for members of the Congregation and to support the charitable work of the brothers for the foreseeable future.

Some specific plans of the charitable company are as follows:

- ◆ Following the period ended 30 June 2022, the trustees will continue to donate US \$60k twice a year in mission support to the Philippines, a further US \$25k twice a year to the Congregation's Solidarity Fund for onward distribution to projects for the relief of poverty and for education, and donate circa £40k from the Coindre Bursary Trust to support bursaries at St Columba's College (in line with the policy noted above).
- ◆ During the forthcoming year, the charitable company will closely monitor its investments and its revenue income from St Columba's College and Preparatory School as the key risks to the charitable company's activities, and to set aside in designated funds sufficient reserves to support the ageing membership and those most at risk of suffering from Covid-19.
- ◆ Paying due heed to the impact of the Covid-19 pandemic and its consequences, both socially and economically, as well as volatility in the investment markets.

Governance, Structure and Management

Governance

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 07897531 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1146264).

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and financial statements.

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

Trustees

Brother Ronald Hingle SC
Brother Clifford King SC
Brother Joseph Holthaus SC
Brother Barry Landry SC
Brother Ivy Leblanc SC

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 brothers 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 four times a year to review developments with regard to the charitable company or its activities and 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 Province and to lay consultants and advisers as necessary.

Trustees receive induction from their professional advisers at the time of their appointment, in particular on company and charity law and trustees' duties, utilising in particular guidance provided by the Charity Commission for England and Wales. Trustees are kept updated with changes in relevant regulations and guidance by their professional advisers, they attend the annual Catholic Charity Conference, and receive regular communications from the Conference of Religious in England and Wales, the Diocese of Westminster, and from their professional advisers.

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, with the support of their professional advisers, comprise the key management personnel 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 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 Brothers of the Sacred Heart 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.

- ♦ 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 he/she ought to have taken as a trustee in order to make himself/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 s418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims and in planning the work of members of the Congregation, 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. The continuing Covid-19 pandemic has clearly given rise to challenges and threats to the well-being of the charitable company and its activities which could not have been foreseen.

The key risks for the charitable company, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Revenue income is dependent on the payments from St Columba's College and Preparatory School for use of the charitable company's property, which in turn is dependent on the annual school roll. Close communication with the College is being maintained and the matter kept under constant review so that measures can be taken if and when there is any early warning of a likely drop in revenue income. Recent strategic decisions by the College have helped to maintain the annual school roll.
- ◆ An analysis of the age profile of the members of the Province shows that the average age is 75 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the brothers has resources of their own. As the age profile increases, so too does the need to provide care for the brothers, particularly with the risk associated with contracting Covid-19 (where necessary, brothers at greatest risk have been moved to help protect their safety). 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 brothers 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 England or elsewhere, 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.

Governance, Structure and Management (continued)

Risk management (continued)

- ♦ 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 manager 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. The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charitable company is a long term investor. As such, the charitable company will be able to wait for markets to 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, 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 Brothers of the Sacred Heart, Company Registration No. 0789531 (England and Wales) and Charity Registration No. 1146264

Trustee:

Approved by the trustees on:

Independent auditor's report to the trustees of The Brothers of the Sacred Heart

Opinion

We have audited the financial statements of the Brothers of the Sacred Heart (the 'charitable company') for the year ended 30 June 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 30 June 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 including the strategic 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 (who are also the directors of the charitable company for the purposes of company law) 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.

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 management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006,

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

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and 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 management and trustees 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 the trustee board; and
- ◆ Enquiring of as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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.

Independent auditor's report Year to 30 June 2022

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

A further description of our responsibilities is available 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

Statement of financial activities Year to 30 June 2022
(including an income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations	1	81,043	333	81,376	73,345	550	73,895
Charitable activities	2	215,662	—	215,662	215,321	—	215,321
Investments and interest receivable	3	81,780	22,660	104,440	84,144	24,901	109,045
Other sources							
. Miscellaneous income		4,800	—	4,800	6,380	—	6,380
Total income		383,285	22,993	406,278	379,190	25,451	404,641
Expenditure on:							
Raising funds							
. Investment manager fees		(397)	(94)	(491)	171	(12)	159
Charitable activities							
. Support of members of the Congregation and their ministry	4	120,024	—	120,024	153,191	—	153,191
. Programme related investments		—	—	—	649	—	649
. Donations	6	124,509	44,153	168,662	131,277	35,000	166,277
Total expenditure		244,136	44,059	288,195	285,288	34,988	320,276
Net income (expenditure) before (losses) gains on investments	7	139,149	(21,066)	118,083	93,902	(9,537)	84,365
Exchange gains on cash held by investment managers		608	—	608	115	—	115
Net (losses) gains on the revaluation and disposal of listed investments	11	(207,369)	(64,884)	(272,253)	256,657	88,047	344,704
Net movement in funds		(67,612)	(85,950)	(153,562)	350,674	78,510	429,184
Reconciliation of funds:							
Fund balances brought forward at 1 July 2021		4,528,399	847,416	5,375,815	4,177,725	768,906	4,946,631
Fund balances carried forward at 30 June 2022		4,460,787	761,466	5,222,253	4,528,399	847,416	5,375,815

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 30 June 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	10		1,456,279		1,486,449
Investments					
. Listed investments and cash held for re-investment	11		3,420,816		3,454,039
. Programme related investment	12		215,853		215,853
			5,092,948		5,156,341
Current assets:					
Debtors	13	38,363		35,863	
Cash at bank and in hand		149,247		198,982	
		187,610		234,845	
Liabilities:					
Creditors: amounts falling due within one year	14	(58,305)		(15,371)	
Net current assets			129,305		219,474
Total net assets			5,222,253		5,375,815
The funds of the charitable company:					
Unrestricted funds					
. Tangible fixed assets fund	15		1,456,279		1,486,449
. Programme related investment fund	16		215,853		215,853
. Designated funds	17		1,866,633		1,866,633
. General fund			922,022		959,464
			4,460,787		4,528,399
Restricted funds	18		761,466		847,416
			5,222,253		5,375,815

Approved by the trustees and signed on their behalf by:

Trustee:

Approved on:

Brothers of the Sacred Heart
Company Registration No. 0789531 (England and Wales)

Statement of cash flows Year to 30 June 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	84,247	1,370
Cash flows from investing activities:			
Investment income – listed investments and interest		92,440	97,045
Investment income – programme related investment		12,000	12,000
Purchase of tangible fixed assets		—	(140,125)
Expenditure on programme related investments		—	(5,255)
Proceeds from the disposal of investments		106,000	114,594
Purchase of investments		(322,068)	(219,972)
Net cash used in investing activities		(111,628)	(141,713)
Change in cash and cash equivalents in the year		(27,381)	(140,343)
Cash and cash equivalents at 1 July 2021		268,622	408,850
Change in cash and cash equivalents due to exchange rate movements		608	115
Cash and cash equivalents at 30 June 2022	B	241,849	268,622

Notes to the statement of cash flows for the year to 30 June 2022.

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(153,562)	429,184
Adjustments for:		
Depreciation	30,170	29,483
Losses (gains) on investments	272,253	(344,704)
Investment income	(104,440)	(109,045)
Exchange gains	(608)	(115)
Increase in debtors	(2,500)	(9,648)
Increase in creditors	42,934	6,215
Net cash provided by operating activities	84,247	1,370

B Analysis of changes in cash and cash equivalents

	At 1 July 2021 £	Cash flows £	Exchange gains £	At 30 June 2022 £
Cash at bank and in hand	198,982	(49,735)	—	149,247
Cash held by investment managers	69,640	22,354	608	92,602
Total cash and cash equivalents	268,622	(27,381)	608	241,849

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 30 June 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 30 June 2022 with comparative information provided in respect to the year to 30 June 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Under a Uniting Direction issued by the Charity Commission under section 12(1) of the Charities Act 2011, this charity (i.e. Brothers of the Sacred Heart (Charity Registration Number 1146264)) is the reporting charity and its related charity, The Coindre Bursary Trust (Charity Registration Number 1146264-1) is the linked charity. The effect of the Uniting Direction for accountancy and reporting purposes is that a single set of accounts is presented for the two charities combined with The Coindre Bursary Trust shown as a restricted fund. Under the Uniting Direction, both charities continue to exist as independent entities in all other respects.

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 useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the value of land included as part of land and buildings to enable the calculation of depreciation on building costs alone;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement 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 charity's investment income may be affected by the continuing volatility in listed investments markets in the aftermath of the Covid-19 pandemic and because of the current macroeconomic and geopolitical climate. Inflation has meant that costs have increased, although the overall impact is expected to be immaterial. The trustees will continue to keep income (particularly that from St Columba's College and Preparatory School) and expenditure under review but do not anticipate that the impact from current climate on the charity's finances will be material or impact on the charity's going concern.

With regard to the next accounting period, the year ending 30 June 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 market. As noted above, this is particularly relevant at the current time in the post Covid-19 pandemic period and with political and economic uncertainties.

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 donations, investment income and recharge from associated schools.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

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

Income recognition (continued)

Income from charitable activities consists of a recharge from associated schools and is recognised to the extent that it is probable that economic benefits will flow to the charitable company and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Investment income is recognised once the dividend or equivalent 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 charitable company; this is normally upon notification of the interest paid or payable by the bank.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Freehold land and buildings

Freehold land and buildings purchased on or prior to 1 July 2015 are included in the financial statements at a valuation determined by the trustees as at that date with professional assistance, based on market value for existing use. As permitted by FRS 102, with effect from 1 July 2015 the value assigned to freehold land and buildings is now deemed its cost. Land and buildings purchased on or after 1 July 2015 are shown on the balance sheet at cost. Freehold land and buildings comprise a large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write off the building over its estimated useful economic life to the Congregation.

b. Other tangible fixed assets

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

- ◆ Furniture, fittings and equipment – 5% to 25% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the financial statements as their net realisable value is considered to be negligible.

Listed investments and cash held for re-investment

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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company 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 if 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.

Programme related investments

Programme related investments include a building owned by the charitable company but used by another organisation for purposes consistent with the charitable company's objectives. The original cost of the building classified as programme related investment is not known. The value at which the building is included represents expenditure on the building since 2011.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

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

Creditors

Creditors 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 are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets.

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and building owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least December 2026, the date to which the property is leased, and as such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Principal accounting policies 30 June 2022

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.

Services provided by members of the Congregation

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

Notes to the financial statements 30 June 2022

1 Income from: Donations and legacies

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Pensions and other income of individual religious received under deed of covenant	78,992	—	78,992	73,145	—	73,145
Donations	2,051	333	2,384	200	550	750
	81,043	333	81,376	73,345	550	73,895

2 Income from: Charitable activities

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Recharge from associated schools	215,662	—	215,662	215,321	—	215,321

3 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from listed investments						
. UK equities and unitised funds	69,738	22,642	92,380	72,120	24,896	97,016
Income from programme related investment	12,000	—	12,000	12,000	—	12,000
Interest receivable	42	18	60	24	5	29
	81,780	22,660	104,440	84,144	24,901	109,045

4 Expenditure on: Support of members of the Congregation and their ministry

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Premises	19,548	—	19,548	63,772	—	63,772
Living and personal costs	45,398	—	45,398	35,338	—	35,338
Support of Brothers in the USA	8,542	—	8,542	6,395	—	6,395
Depreciation	30,169	—	30,169	29,483	—	29,483
Governance (see note 5)	5,070	—	5,070	6,870	—	6,870
Other support costs						
. Professional fees	6,790	—	6,790	5,183	—	5,183
. Accountancy	3,420	—	3,420	6,150	—	6,150
. Other	1,087	—	1,087	—	—	—
	120,024	—	120,024	153,191	—	153,191

Expenditure on premises in 2021 included £45,336 in relation to repairs to the roof of the charity's property.

5 Governance

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Professional fees	5,070	—	5,070	6,870	—	6,870

6. Donations

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Donation to the Congregation's Solidarity Fund – for onward distribution to projects for the relief of poverty and for education.	36,620	—	36,620	18,289	—	18,289
Donations to the Congregation's missions						
. Brothers' Delegation in the Philippines	87,889	—	87,889	112,686	—	112,686
Coindre Bursary – to provide support for students at St Columba's College and Preparatory School	—	44,153	44,153	—	35,000	35,000
Sundry donations	—	—	—	302	—	302
	124,509	44,153	168,662	131,277	35,000	166,277

7. Net income (expenditure) before (losses) gains on investments

This is stated after charging:

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Auditor's remuneration						
. Current year	5,070	—	5,070	4,650	—	4,650
. Previous year	—	—	—	2,220	—	2,220
Depreciation	30,170	—	30,170	29,483	—	29,483

8. Staff costs, key management personnel and trustees' remuneration

The charitable company did not employ any staff during the year (2021 – none).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis comprise the trustees. They received nil remuneration or reimbursement of expenses in connection with their duties during the year (2021 – £nil).

The charitable company's trustees are all members of the Congregation. However, as the trustees mostly reside in the US, their living and personal expenses are borne by the Brothers of the Sacred Heart (US Province). Certain expenses are occasionally borne by the charitable company in respect to the general costs of the US Province and these totalled £nil in 2022 (2021 - £nil). No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2021 – none).

9. Taxation

Brothers of the Sacred Heart is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold land and building £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 July 2021 and 30 June 2022	1,606,807	62,094	24,278	1,693,179
Cost	138,031	62,094	24,278	224,403
Deemed cost (2015 valuation)	1,468,776	—	—	1,468,776
	<u>1,606,807</u>	<u>62,094</u>	<u>24,278</u>	<u>1,693,179</u>
Depreciation				
At 1 July 2021	146,445	36,007	24,278	206,730
Charge for year	25,165	5,005	—	30,170
At 30 June 2022	<u>171,610</u>	<u>41,012</u>	<u>24,278</u>	<u>236,900</u>
Net book values				
At 30 June 2022	<u>1,435,197</u>	<u>21,082</u>	<u>—</u>	<u>1,456,279</u>
At 30 June 2021	<u>1,460,362</u>	<u>26,087</u>	<u>—</u>	<u>1,486,449</u>

As permitted under FRS 102, the charitable company has now adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost or deemed cost. Where a valuation has been used in prior periods this has been taken to be deemed cost under the transitional arrangements of FRS 102.

11 Listed investments and cash held for re-investment

	Un- restricted funds £	Restricted funds £	2022 Total funds £	Un- restricted funds £	Restricted funds £	2021 Total funds £
Listed investments						
Market value at 1 July 2021	2,543,028	841,371	3,384,399	2,170,952	763,365	2,934,317
Additions at cost	293,826	28,242	322,068	201,713	18,259	219,972
Disposals at book value						
. Proceeds	(106,000)	—	(106,000)	(86,294)	(28,300)	(114,594)
. Net realised (losses) gains	(5,755)	—	(5,755)	6,349	2,345	8,694
	(111,755)	—	(111,755)	(79,945)	(25,955)	(105,900)
Net unrealised investment (losses) gains	(201,614)	(64,884)	(266,498)	250,308	85,702	336,010
Market value at 30 June 2022	2,523,485	804,729	3,328,214	2,543,028	841,371	3,384,399
Cash held by investment managers for re-investment	92,595	7	92,602	64,145	5,495	69,640
	2,616,080	804,736	3,420,816	2,607,173	846,866	3,454,039
Cost of listed investments at 30 June 2022	2,372,620	553,838	2,926,458	2,175,871	525,596	2,701,467

All investments comprise Class A income units in the Sarasin Alpha Endowment Fund. All listed investments held within the Fund were dealt in on recognised stock exchanges.

12 Programme related investments

Programme related investments comprise a property occupied by St Columba's College and Preparatory School, a charitable and not-for-profit organisation, for purposes consistent with the charitable company's objectives.

	2022 £	2021 £
At 1 July 2021	215,853	210,598
Additions	—	5,255
At 30 June 2022	215,853	215,853

13 Debtors

	2022 £	2021 £
Amounts receivable from St Columba's College and Preparatory School (note 20)	27,134	28,032
Other debtors	9,119	5,764
Prepayments and accrued income	2,110	2,067
	38,363	35,863

14 Creditors – amounts falling due within one year

	2022 £	2021 £
Expense creditors	2,751	5,101
Donations payable	44,153	—
Accruals	11,401	10,270
	58,305	15,371

15 Tangible fixed assets fund

	2022 £	2021 £
At 1 July 2020	1,486,449	1,375,807
Net movement in year	(30,170)	110,642
At 30 June 2021	1,456,279	1,486,449

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charitable company and are not available to finance current expenditure or meet contingencies.

16 Programme related investment fund

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and buildings owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least 24 December 2026. As such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations or part of free reserves.

	2022 £	2021 £
At 1 July 2021	215,853	210,598
Net movement in year	—	5,255
At 30 June 2022	215,853	215,853

17 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2021 £	Amount used £	At 30 June 2022 £
Retirement reserve	1,800,000	—	1,800,000
Property repairs fund	66,633	—	66,633
	1,866,633	—	1,866,633

17 Designated funds (continued)

	At 1 July 2020 £	Amount used £	At 30 June 2021 £
Retirement reserve	1,500,000	300,000	1,800,000
Property repairs fund	250,000	(183,367)	66,633
	<u>1,750,000</u>	<u>116,633</u>	<u>1,866,633</u>

Retirement reserve

During the year to 30 June 2019 the trustees established a retirement reserve, representing monies designated by the trustees to provide for the members of the Congregation in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and those likely to be required.

Property repairs fund

The trustees had set aside £250,000 in the prior year to meet the planned expenditure on the Watling House property. £183,367 was utilised during that year. £66,633 is being maintained in the fund to cover further expenditure on the property.

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of monies held on trusts to be applied for specific purposes:

	The Coindre Bursary Trust £	Other funds £	2022 Total funds £	The Coindre Bursary Trust £	Other funds £	2021 Total funds £
At 1 July 2021	846,866	550	847,416	768,906	—	768,906
Income	22,660	333	22,993	24,901	550	25,451
Expenditure	(44,059)	—	(44,059)	(34,988)	—	(34,988)
Gains on investments	(64,884)	—	(64,884)	88,047	—	88,047
At 30 June 2022	<u>760,583</u>	<u>883</u>	<u>761,466</u>	<u>846,866</u>	<u>550</u>	<u>847,416</u>

The Coindre Bursary Trust represents the funds of the linked charity which are to be used to provide bursaries at St Columba's College.

19 Analysis of net assets between funds

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2022 £
Fund balances at 30 June 2022 are represented by:						
Tangible fixed assets	—	—	—	1,456,279	—	1,456,279
Listed investments	804,736	816,080	1,800,000	—	—	3,420,816
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	(43,270)	105,942	66,633	—	—	129,305
Total net assets	761,466	922,022	1,866,633	1,456,279	215,853	5,222,253

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2021 £
Fund balances at 30 June 2021 are represented by:						
Tangible fixed assets	—	—	—	1,486,449	—	1,486,449
Listed investments	846,866	807,173	1,800,000	—	—	3,454,039
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	550	152,291	66,633	—	—	219,474
Total net assets	847,416	959,464	1,866,633	1,486,449	215,853	5,375,815

The total unrealised gains as at 30 June 2022 constitute movements on revaluation of investments and are as follows:

	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Unrealised gains at 30 June 2022 included above:						
Total unrealised gains on listed investments	150,865	250,891	401,756	367,157	315,775	682,932
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 July 2021	367,157	315,775	682,932	120,928	237,976	358,904
Less: in respect to disposals in the year	(14,678)	—	(14,678)	(4,079)	(7,903)	(11,982)
Add: net gains arising on revaluation arising in the year	(201,614)	(64,884)	(266,498)	250,308	85,702	336,010
Total unrealised gains at 30 June 2022	150,865	250,891	401,756	367,157	315,775	682,932

20 Related party transactions

Brother Ronald Hingle SC, Brother Ivy Leblanc SC and Brother Joseph Holthaus SC were trustees of the Brothers of the Sacred Heart in addition to being trustees of St Columba's College and Preparatory School (the College) during the financial year. During the year to 30 June 2022 income was received from the College as disclosed in notes 1 and 2.

At 30 June 2022, debtors included £27,134 (2021 - £28,032) receivable from the College in relation to recharges under the transfer agreement, stipends of brothers and rental of the programme related investment property (note 13).

The charitable company also reimburses costs in relation to utilities such as gas, electricity, insurance, telephone and food to the College. The amounts reimbursed during the year amounted to £7,560 (2021 - £7,560).

The Coindre Bursary Trust made donations to the College. Donations payable during the year amounted to £44,153 (2021 - £35,000).

Details of other transactions with trustees are disclosed in note 8. There are no further related party transactions requiring disclosure (2021 – none).

21 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.

BROTHERS OF THE SACRED HEART

England & Wales - Charity number 1146264

Accounts

Brothers of the Sacred Heart

Annual Report and Financial statements

30 June 2021

Charity Registration Number
1146264

Company Registration Number
07897531 (England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's statement	14

Financial statements

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the financial statements	28

Reference and administrative information

Trustees	Brother Ronald Hingle SC Brother Joseph Holthaus SC (appointed 11 January 2021) Brother Clifford King SC Brother Barry Landry SC Brother Ivy Leblanc SC Brother Donald Sukanek SC (resigned 3 November 2020)
Registered address	Brothers of the Sacred Heart Watling House 8 King Harry Lane St Albans Herts AL3 4AW
Address of the Brothers of the Sacred Heart (US Province)	Provincial Office 4600 Elysian Fields Avenue New Orleans LA 70122 USA
Charity registration number	1146264
Company registration number	07897531
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Trustees' report Year to 30 June 2021

The trustees present their annual report together with the financial statements of the Brothers of the Sacred Heart ("the charitable company") for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 27 of the attached financial statements and comply with the charitable company's Memorandum and 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 in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Brothers of the Sacred Heart is an international Roman Catholic Congregation founded in 1821 by Reverend Andre Coindre with the fundamental mission of educating the young. Today, the Congregation has just under 1,000 members spread across 30 countries. The activities of the Brothers in England and Wales are administered and accounted for through a charitable company established in 2012. The company, which is limited by guarantee, is registered with the Charity Commission, Charity Registration Number 1146264. As there is no British province of the Congregation, the members and trustees of the charitable company are the members of the Congregation's US Provincial Council.

The charitable company's objectives include the support of members of the Congregation in England, enabling such members to continue their individual ministry; providing support for Catholic education at St Columba's College and Preparatory School (the College), St Albans; supporting Catholic education in Africa, the Philippines and elsewhere in the developing world, through the provision of grants to the Congregation; and the caring for elderly members of the Congregation who are retired in England and the United States of America.

The members of the charitable company are members of the US Provincial Council of the Brothers of the Sacred Heart. At the elections to the US Provincial Council in October 2018, Brother Ronald Hingle SC, already a member and director/trustee of the charitable company, was elected Provincial. Co-opted trustees may also be appointed by the serving trustees for a term of office ending at the next Annual General Meeting. The trustees direct and manage the affairs of the charitable company. The meetings of trustees are chaired by Brother Ronald Hingle SC. Brother Ivy Leblanc SC takes primary responsibility for the financial affairs of the charitable company. They are supported by a Corporate Services consultant and an Accountant, engaged on contracts for services. The charitable company has no employees.

Constitution

The Brothers of the Sacred Heart is an incorporated charitable company constituted as a company limited by guarantee, Charity Registration Number 1146264 and Company Registration Number 07897531 (England and Wales). The charitable company was incorporated on 4 January 2012.

Relationships with Other Charities

Since 1955 the Brothers of the Sacred Heart have had a charitable foundation governed by a Trust Deed, which in 1996 was constituted as an incorporated body under the Charities Act 1983 (Charity Registration Number 231733). In April 2012 the charitable company resolved that, subject to the consent of the Charity Commission, the assets and functions of the charitable trust should be transferred to this charitable company and that this should be executed as a deed. The charitable trust was closed and removed from the Charity Commission register on 28 February 2013.

Upon transfer of the assets and functions, the charitable company has amongst other things participated in the church appeals programme of the Catholic Missionary Union of England and Wales (Charity Registration Number 1082975) to raise funds for the African missions and missions in the developing world of the Brothers of the Sacred Heart. Following the guidance of the Diocese of Westminster, stipulating that parish mission appeals be undertaken on a one-off basis only, the charitable company no longer participates in this appeals programme, with effect from 1 August 2014.

Since 1955 the Brothers of the Sacred Heart have conducted St Columba's College and Preparatory School (Charity Registration Number 1088480) as a Roman Catholic school in St Albans, Hertfordshire. The Provincial of the US Province appoints an Executive Assistant who serves as Dean of St Columba's College and as a trustee of the St Columba's College and Preparatory School charitable company. One of his major roles is to effect good communication of all College activities and development to the members of the Provincial Council. The Dean in post on 1 July 2020, Brother Daniel St Jacques SC, is not a member of the US Provincial Council, but was a Trustee of the Charitable company until 23 March 2017 and was a trustee of ZAMCOG (Charity Registration Number 1136086) until 14 November 2018, which has been a recipient of the charitable company's funds in previous years. Brother Joseph Holthaus SC replaced Brother Daniel St Jacques as Dean with effect from 2 November 2020.

In April 2012 the charitable company executed as a deed with the charitable trust, and signed by the Provincial, a Trust Deed to transfer part of the charitable trust's funds to the charitable company to establish The Coindre Bursary Trust, an education fund held in investments with Sarasin & Partners LLP, for the purpose of providing means-tested bursaries and other forms of financial support in benefit of St Columba's College and Preparatory School. The Charity Commission recognised The Coindre Bursary Trust as a registered charity linked by a Uniting Direction with the charitable company on 28 June 2012. The transfer of assets took place on 31 July 2012.

The financial statements accompanying this report are the financial statements of the charitable company, Brothers of the Sacred Heart, 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 (the reporting charity) and The Coindre Bursary Trust (the linked charity). In accordance with the Uniting Direction, the funds of the The Coindre Bursary Trust are treated as restricted funds in the accounts of the charitable company.

Objectives, activities and relevant policies

Objectives and activities

The charitable company's objects are to advance for the public benefit such charitable purposes connected to the Roman Catholic religion as the trustees shall from time to time think fit. These may take place in England and Wales or in other countries where the Brothers of the Sacred Heart are established. Consideration has been given to the Charity Commission guidance on public benefit.

The charitable company's objectives include:

- ◆ Providing its vowed members the wherewithal to exercise their religious obligations and to serve as living examples of Christian discipleship to the people they meet daily;
- ◆ Providing financial support for Catholic education at St Columba's College and Preparatory School, St Albans, Hertfordshire;
- ◆ Supporting Catholic education in Africa and in the Philippines through financial assistance to the Brothers of the Sacred Heart of the Eastern and Southern Africa Province and the Brothers' Delegation in the Philippines;
- ◆ Providing financial assistance to the Brothers of the Sacred Heart to further its mission work to relieve poverty organised through the Congregation's General Council and provinces;
- ◆ Caring for elderly Brothers of the Sacred Heart of the US Province who are retired in England and in the United States; and
- ◆ Maintaining and improving the buildings owned by the Brothers of the Sacred Heart for the accommodation of the religious Congregation and for the Church's educational mission.

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the Congregation, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves in any way. This means that members engaged in any ministry in England must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS).

Investment policy

The charitable company has a portfolio of listed investments which together with cash awaiting investment had a market value as at 30 June 2021 of £3,454,039 (2020 – £3,028,308).

Objectives, activities and relevant policies (continued)

Investment policy (continued)

There are no restrictions on the charitable company's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established. The overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

Investments are held for the continuing support and retirement needs of the brothers and for future provision of bursaries at St Columba's College. Investments are acquired in accordance with the investment policies document contained within the charitable company's administrative document. The policies are reviewed bi-annually. The charitable company's primary investment objective is to match or exceed the portfolio benchmark established for the Continuing Community Support Fund and the Coindre Bursary Trust.

Other aspects of the investment policies include:

- ◆ Not investing in companies dealing with abortifacients, armaments and tobacco;
- ◆ Common stock securities of any company should not exceed 5% of the total market value of equities in the portfolio, with the agreed exceptions of HSBC plc and BP plc;
- ◆ No more than 10% of the portfolio should be invested in any one FTSE All Share Sector (except for the Banking sector as agreed); and
- ◆ Balancing the fund to a preferred 65% in equities, 25% fixed income, 5% property and 5% cash, within a flexible range of minimum and maximum boundaries.

The performance of the portfolio and the charitable company's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

Achievements and performance

Review of activities

During the year the charity continued to support the activities of the brothers as stated in the objectives above.

The charitable company used its funds to meet its objectives as follows.

- ◆ £153,191 (2020: £117,248) in support of the brothers, in England and in retirement in the US.

Achievements and performance (continued)

Review of activities (continued)

- ♦ £131,277 (2020: £261,440) in gifts and donations from the reporting charity, including £18,289 (US \$25,000) to the Solidarity Fund of the Congregation's General Council for onward distribution to projects for the relief of poverty and for education, £nil (2020: £2,000) in mission support of Rutenga School in Zimbabwe and £112,686 (2020: £46,292) in mission support to the Philippines.
- ♦ £35,000 (2020: £36,004) provided from The Coindre Bursary Trust, the linked charity, to support bursaries at St Columba's College (in line with the agreed policy to provide 5% of the average valuation of the fund over the three preceding years).

Covid-19

The Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charitable company's control.

The Brothers resident in England, who are all at least 70 years of age, have had to adhere to the stringent government advice issued on 23 March 2020 and subsequently. This meant that their normal apostolic activities had to find new shape or cease altogether. As a result of social distancing rules, whilst largely remaining in lockdown, the brothers tried to find new ways of working and supporting themselves and those with whom they work.

Along with many other charities, the trustees cannot at this stage imagine what the new long-term needs will be and in what position we ourselves will be in to respond to those needs. In the short term, however, the adverse conditions have been successfully navigated.

The trustees will continue to keep both income and expenditure under review but do not anticipate that the impact on the charitable company's finances will be material or impact on the charitable company's going concern.

Raising funds

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 communications 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 fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 19 of the attached financial statements.

Total income for the year amounted to £404,641 compared to £417,839 in 2020.

Expenditure amounted to £320,276 compared to £415,707 in 2020. The cost of raising funds decreased by £114 to £159 (2020 – £4,363 to £273), the costs in relation to supporting members of the Province and their ministry were £153,191 (2020 – £117,248) and include exceptional expenditure of approximately £45,000 on repairs to the roof of the charity's property. Donations given were £166,277 (2020 – £298,186). Further details of donations given are included in note 6 to the financial statements and above.

The net income for the year before investment gains was £84,365 (2020 – £2,132). The net investment gains totalled £344,704 (2020 – £92,560) and exchange gains on cash held by investment managers were £115 (2020 – £886). When these net gains are accounted for, the overall impact on the charitable company's funds is an increase of £429,184 for the year (2020 – £95,578).

Investment performance

During the year to 30 June 2021, the charitable company's listed investments produced an income yield of 3.3% (2020 – 3.2%) and capital yield of 11.7% (2020 – 3%).

Reserves policy and financial position

Reserves policy

As explained above, the charitable company carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment. The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equivalent to 36 months' expenditure. The trustees are of the opinion that this reflects the charitable company's reliance on investments to generate investment income to fund recurring expenditure, and the continued performance of St Columba's College and Preparatory School, from which the charitable company receives most of its income. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charitable company to cope and respond to Covid-19 and other unforeseen emergencies whilst specific action plans are implemented. The brothers in England receive minimal stipends for their work. The reserves also maintain the cost of sustaining the brothers' residence in England.

Financial report for the year (continued)

Reserves policy and financial position (continued)

Financial position

The balance sheet shows total funds £5,375,815 (2020 – £4,946,631).

These funds include restricted funds of £847,416 (2020 – £768,906). £846,866 (2020 – £768,906) is in respect to the linked charity, The Coindre Bursary Trust. These funds are represented by The Coindre Bursary Trust's investment portfolio, intended for future provision of bursaries at St Columba's College.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £1,486,449 (2020 – £1,375,807) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Congregation to carry out its charitable work and are not available to fund activities or meet future commitments. The programme related investment fund equal to the cost of the property used by St Columba's College and Preparatory School amounted to £215,853 (2020 – £210,598).

An amount of £1,800,000 (2020 – £1,500,000) has been designated to meet the costs of the care and welfare of members of the Province as they grow old or frail. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future. The reserves are set aside for the continuing support of the brothers in St Albans and for the needs of retired brothers both in England and the United States. It is estimated that the funds must help support elderly brothers for the next 25 years, particularly taking account of the risk to an ageing membership of suffering from Covid-19.

£66,633 represents the balance of £250,000 designated in 2020 towards the cost of future property maintenance and repairs.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in the notes to the financial statements.

General funds or 'free reserves' of the charitable company at 30 June 2021 total £959,464 (2020 – £841,320).

The trustees consider that this level of free reserves is in accordance with the charitable company's reserves policy stated above. The trustees are of this opinion given the volatility in world stock markets at the present time due to Covid-19, political and economic uncertainties. They also accept that in the years ahead, members of the Province may require increasing and increasingly expensive health care, and that the designated retirement fund of £1,800,000 (2020 - £1,500,000) described above may prove to be inadequate and it is the intention of the trustees to increase the fund over time.

Future plans

The trustees plan that the work of the charitable company will continue without any significant change in the short term.

It is the intention of the trustees of the charity to continue to respond to the needs of the times and fulfil public benefit and to meet the objectives of caring for members of the Congregation and to support the charitable work of the brothers for the foreseeable future.

Some specific plans of the charitable company are as follows:

- ◆ Following the period ended 30 June 2021, the trustees will continue to donate US \$60k twice a year in mission support to the Philippines, a further US\$25k twice a year to the Congregation's Solidarity Fund for onward distribution to projects for the relief of poverty and for education, and donate circa £35k from the Coindre Bursary Trust to support bursaries at St Columba's College (in line with the policy noted above).
- ◆ During the year, the charitable company will closely monitor its revenue income from St Columba's College and Preparatory School as the key risk to the charitable company's activities arising from the Covid-19 pandemic, and to set aside in designated funds sufficient reserves to support the ageing membership most at risk of suffering from Covid-19.
- ◆ Paying due heed to the impact of the Covid-19 pandemic and its consequences, both socially and economically.

Governance, Structure and Management

Governance

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 07897531 (England and Wales)) and is a charitable company registered for charitable purposes with the Charity Commission (Charity Registration No. 1146264).

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and financial statements.

At any one time there shall not be less than five nor more than seven trustees.

The following trustees were in office during the year:

Trustees

Brother Ronald Hingle SC	
Brother Clifford King SC	
Brother Joseph Holthaus SC	(Appointed 11 January 2021)
Brother Barry Landry SC	
Brother Ivy Leblanc SC	
Brother Donald Sukanek SC	(Resigned 3 November 2020)

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 brothers 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 four times a year to review developments with regard to the charitable company or its activities and 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 Province and to lay consultants and advisers as necessary.

Trustees receive induction from their professional advisers at the time of their appointment, in particular on company and charity law and trustees' duties, utilising in particular guidance provided by the Charity Commission for England and Wales. Trustees are kept updated with changes in relevant regulations and guidance by their professional advisers, they attend the annual Catholic Charity Conference, and receive regular communications from the Conference of Religious in England and Wales, the Diocese of Westminster, and from their professional advisers.

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, with the support of their professional advisers, comprise the key management personnel 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 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 Brothers of the Sacred Heart 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.

- ♦ 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 he/she ought to have taken as a trustee in order to make himself/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 s418 of the Companies Act 2006.

Public benefit

In formulating the charitable company's aims and in planning the work of members of the Congregation, 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. The continuing Covid-19 pandemic has clearly given rise to challenges and threats to the well-being of the charitable company and its activities which could not have been foreseen.

The key risks for the charitable company, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ The risk arising from the Covid-19 pandemic is two-fold: the greater adverse impact from contracting Covid-19 for the elderly and the ageing membership of the Province; and the dependence of revenue income on the payments from St Columba's College and Preparatory School for use of the charitable company's property, which in turn is dependent on the annual school roll. For the mitigation of the first risk, see below. In addition, where necessary, brothers at greatest risk have been moved to help protect their safety. For the second risk, close communication with the College is being maintained and the matter kept under constant review so that measures can be taken if and when there is any early warning of a likely drop in revenue income.
- ◆ An analysis of the age profile of the members of the Province shows that the average age was 75 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the brothers have resources of their own. As the age profile increases, so too does the need to provide care for the brothers, particularly with the risk associated with contracting Covid-19. 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 brothers 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 England or elsewhere, 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.

Governance, Structure and Management (continued)

Risk management (continued)

- ◆ 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 manager 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. During the current Covid-19 pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charitable company is a long term investor. As such, the charitable company will be able to wait for markets to 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, 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 Brothers of the Sacred Heart, Company Registration No. 0789531 (England and Wales) and Charity Registration No. 1146264

Trustee:

Approved by the trustees on:

Independent auditor's report to the trustees of The Brothers of the Sacred Heart

Opinion

We have audited the financial statements of the Brothers of the Sacred Heart (the 'charitable company') for the year ended 30 June 2021; 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 30 June 2021 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 including the strategic 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 (who are also the directors of the charitable company for the purposes of company law) 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.

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 management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006,

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

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and 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 management and trustees 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 the trustee board; and
- ◆ Enquiring of as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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.

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

A further description of our responsibilities is available 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

Statement of financial activities Year to 30 June 2021
(including an income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Income from:							
Donations	1	73,345	550	73,895	84,416	742	85,158
Charitable activities	2	215,321	—	215,321	219,496	—	219,496
Investments and interest receivable	3	84,144	24,901	109,045	87,449	25,039	112,488
Other sources							
. Miscellaneous income		6,380	—	6,380	697	—	697
Total income		379,190	25,451	404,641	392,058	25,781	417,839
Expenditure on:							
Raising funds							
. Investment manager fees		171	(12)	159	213	60	273
Charitable activities							
. Support of members of the Congregation and their ministry	4	153,191	—	153,191	117,248	—	117,248
. Programme related investments		649	—	649	—	—	—
. Donations	6	131,277	35,000	166,277	261,440	36,746	298,186
Total expenditure		285,288	34,988	320,276	378,901	36,806	415,707
Net income (expenditure) before gains on investments	7	93,902	(9,537)	84,365	13,157	(11,025)	2,132
Exchange gains on cash held by investment managers		115	—	115	886	—	886
Net gains on the revaluation and disposal of listed investments	11	256,657	88,047	344,704	69,973	22,587	92,560
Net movement in funds		350,674	78,510	429,184	84,016	11,562	95,578
Reconciliation of funds:							
Fund balances brought forward at 1 July 2020		4,177,725	768,906	4,946,631	4,093,709	757,344	4,851,053
Fund balances carried forward at 30 June 2021		4,528,399	847,416	5,375,815	4,177,725	768,906	4,946,631

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	10		1,486,449		1,375,807
Investments					
. Listed investments and cash held for re-investment	11		3,454,039		3,028,308
. Programme related investment	12		215,853		210,598
			5,156,341		4,614,713
Current assets:					
Debtors	13	35,863		26,215	
Cash at bank and in hand		198,982		314,859	
		234,845		341,074	
Liabilities:					
Creditors: amounts falling due within one year	14	(15,371)		(9,156)	
Net current assets			219,474		331,918
Total net assets			5,375,815		4,946,631
The funds of the charitable company:					
Unrestricted funds					
. Tangible fixed assets fund	15		1,486,449		1,375,807
. Programme related investment fund	16		215,853		210,598
. Designated funds	17		1,866,633		1,750,000
. General fund			959,464		841,320
			4,528,399		4,177,725
Restricted funds	18		847,416		768,906
			5,375,815		4,946,631

Approved by the trustees and signed on their behalf by:

Trustee:

Approved on:

Brothers of the Sacred Heart
Company Registration No. 0789531 (England and Wales)

Statement of cash flows Year to 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	1,370	(106,473)
Cash flows from investing activities:			
Investment income – listed investments and interest		97,045	100,488
Investment income – programme related investment		12,000	11,000
Purchase of tangible fixed assets		(140,125)	(2,100)
Expenditure on programme related investments		(5,255)	—
Proceeds from the disposal of investments		114,594	266,000
Purchase of investments		(219,972)	—
Net cash (used in) provided by investing activities		(141,713)	375,388
Change in cash and cash equivalents in the year		(140,343)	268,915
Cash and cash equivalents at 1 July 2020		408,850	139,049
Change in cash and cash equivalents due to exchange rate movements		115	886
Cash and cash equivalents at 30 June 2021	B	268,622	408,850

Notes to the statement of cash flows for the year to 30 June 2021.

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	429,184	95,578
Adjustments for:		
Depreciation	29,483	25,360
Gains on investments	(344,704)	(92,560)
Investment income	(109,045)	(112,488)
Exchange gains	(115)	(886)
Increase in debtors	(9,648)	(21,565)
Increase in creditors	6,215	88
Net cash provided by (used in) operating activities	1,370	(106,473)

B Analysis of changes in cash and cash equivalents

	At 1 July 2020 £	Cash flows £	Exchange gains £	At 30 June 2021 £
Cash at bank and in hand	314,859	(115,877)	—	198,982
Cash held by investment managers	93,991	(24,466)	115	69,640
Total cash and cash equivalents	408,850	(140,343)	115	268,622

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 30 June 2021

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 30 June 2021 with comparative information provided in respect to the year to 30 June 2020.

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Under a Uniting Direction issued by the Charity Commission under section 12(1) of the Charities Act 2011, this charity (i.e. Brothers of the Sacred Heart (Charity Registration Number 1146264)) is the reporting charity and its related charity, The Coindre Bursary Trust (Charity Registration Number 1146264-1) is the linked charity. The effect of the Uniting Direction for accountancy and reporting purposes is that a single set of accounts is presented for the two charities combined with The Coindre Bursary Trust shown as a restricted fund. Under the Uniting Direction, both charities continue to exist as independent entities in all other respects.

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 useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the value of land included in the cost of property for calculating the depreciation on building costs;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement 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 Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control. The full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still uncertain.

The charity's investment income may continue to be affected because of the potential volatility in listed investments as stock markets continue to react to developments and companies continue to be nervous and reduce their dividends below pre-pandemic levels. In terms of expenditure, whilst some costs may increase, others will reduce and hence the overall impact of the continuing pandemic is expected to be immaterial. The trustees will continue to keep income (particularly that from St Columba's College and Preparatory School) and expenditure under review but do not anticipate that the impact of the continuing pandemic on the charity's finances will be material or impact on the charity's going concern.

With regard to the next accounting period, the year ending 30 June 2022, 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 market. This is particularly relevant at the current time given the continuing Covid-19 pandemic and other economic uncertainties.

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 donations, investment income and recharge from associated schools.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

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

Income recognition (continued)

Income from charitable activities consists of a recharge from associated schools and is recognised to the extent that it is probable that economic benefits will flow to the charitable company and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Investment income is recognised once the dividend or equivalent 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 charitable company; this is normally upon notification of the interest paid or payable by the bank.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Freehold land and buildings

Freehold land and buildings purchased on or prior to 1 July 2015 are included in the financial statements at a valuation determined by the trustees as at that date with professional assistance, based on market value for existing use. As permitted by FRS 102, with effect from 1 July 2015 the value assigned to freehold land and buildings is now deemed its cost. Land and buildings purchased on or after 1 July 2015 are shown on the balance sheet at cost. Freehold land and buildings comprise a large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write off the building over its estimated useful economic life to the Congregation.

b. Other tangible fixed assets

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

- ◆ Furniture, fittings and equipment – 5% to 25% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the financial statements as their net realisable value is considered to be negligible.

Listed investments and cash held for re-investment

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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company 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 if 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.

Programme related investments

Programme related investments include a building owned by the charitable company but used by another organisation for purposes consistent with the charitable company's objectives. The original cost of the building classified as programme related investment is not known. The value at which the building is included represents expenditure on the building since 2011.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

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

Creditors

Creditors 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 are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets.

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and building owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least December 2026, the date to which the property is leased, and as such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Principal accounting policies 30 June 2021

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.

Services provided by members of the Congregation

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

Notes to the financial statements 30 June 2021

1 Income from: Donations and legacies

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Pensions and other income of individual religious received under deed of covenant	73,145	—	73,145	83,224	742	83,966
Donations	200	550	750	1,192	—	1,192
	73,345	550	73,895	84,416	742	85,158

2 Income from: Charitable activities

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Recharge from associated schools	215,321	—	215,321	219,496	—	219,496

3 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Income from listed investments						
. UK equities and unitised funds	72,120	24,896	97,016	75,262	24,963	100,225
Income from programme related investment	12,000	—	12,000	12,000	—	12,000
Interest receivable	24	5	29	187	76	263
	84,144	24,901	109,045	87,449	25,039	112,488

4 Expenditure on: Support of members of the Congregation and their ministry

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Premises	63,772	—	63,772	27,154	—	27,154
Living and personal costs	35,338	—	35,338	47,578	—	47,578
Support of Brothers in the USA	6,395	—	6,395	—	—	—
Depreciation	29,483	—	29,483	25,360	—	25,360
Governance (see note 5)	6,870	—	6,870	5,700	—	5,700
Other support costs						
. Professional fees	5,183	—	5,183	5,770	—	5,770
. Accountancy	6,150	—	6,150	4,290	—	4,290
. Other	—	—	—	1,396	—	1,396
	153,191	—	153,191	117,248	—	117,248

Expenditure on premises includes £45,336 in relation to repairs to the roof of the charity's property.

5 Governance

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Professional fees	6,870	—	6,870	5,700	—	5,700

6. Donations

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Donation to the Congregation's Solidarity Fund – for onward distribution to projects for the relief of poverty and for education. Used for the construction of the new school in Zimbabwe	—	—	—	213,636	—	213,636
Donations to the Congregation's missions						
. Rutenga School in Zimbabwe	—	—	—	1,258	742	2,000
. Brothers' Delegation in the Philippines	112,686	—	112,686	46,292	—	46,292
Coindre Bursary – to provide support for students at St Columba's College and Preparatory School	—	35,000	35,000	—	36,004	36,004
Donation to General Council in Rome for support of Brothers worldwide	18,289	—	18,289	—	—	—
Sundry donations	302	—	302	254	—	254
	131,277	35,000	166,277	261,440	36,746	298,186

In 2020, the donation of £2,000 to the Rutenga School in Zimbabwe included £742 from restricted funds.

7. Net income (expenditure) before gains on investments

This is stated after charging:

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Auditor's remuneration						
. Current year	4,650	—	4,650	4,500	—	4,500
. Previous year	2,220	—	2,220	1,200	—	1,200
Depreciation	29,483	—	29,483	25,360	—	25,360

8. Staff costs, key management personnel and trustees' remuneration

The charitable company did not employ any staff during the year (2020 – none).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis comprise the trustees. They received nil remuneration or reimbursement of expenses in connection with their duties during the year (2020 – £nil).

8. Staff costs, key management personnel and trustees' remuneration (continued)

The charitable company's trustees are all members of the Congregation. However, as the trustees mostly reside in the US, their living and personal expenses are borne by the Brothers of the Sacred Heart (US Province). Certain expenses are occasionally borne by the charitable company in respect to the general costs of the US Province and these totalled £nil in 2021 (2020 - £nil). No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2020 – none).

9. Taxation

Brothers of the Sacred Heart is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold land and building £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 July 2020	1,468,776	135,000	24,278	1,628,054
Additions	138,031	2,094	—	140,125
Disposals	—	(75,000)	—	(75,000)
At 30 June 2021	<u>1,606,807</u>	<u>62,094</u>	<u>24,278</u>	<u>1,693,179</u>
 Cost	138,031	62,094	24,278	224,403
Deemed cost (2015 valuation)	<u>1,468,776</u>	<u>—</u>	<u>—</u>	<u>1,468,776</u>
	<u>1,606,807</u>	<u>62,094</u>	<u>24,278</u>	<u>1,693,179</u>
 Depreciation				
At 1 July 2020	121,664	106,305	24,278	252,247
Charge for year	24,781	4,702	—	29,483
Charge for year	—	(75,000)	—	(75,000)
At 30 June 2021	<u>146,445</u>	<u>36,007</u>	<u>24,278</u>	<u>206,730</u>
 Net book values				
At 30 June 2021	<u>1,460,362</u>	<u>26,087</u>	<u>—</u>	<u>1,486,449</u>
At 30 June 2020	<u>1,347,112</u>	<u>28,695</u>	<u>—</u>	<u>1,375,807</u>

As permitted under FRS 102, the charitable company has now adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost. Where a valuation has been used in prior periods this has been taken to be deemed cost under the transitional arrangements of FRS 102.

11 Listed investments and cash held for re-investment

	Un- restricted funds £	Restricted funds £	2020 Total funds £	Un- restricted funds £	Restricted funds £	2019 Total funds £
Listed investments						
Market value at 1 July 2020	2,170,952	763,365	2,934,317	2,355,979	751,778	3,107,757
Additions at cost	201,713	18,259	219,972	—	—	—
Disposals at book value						
. Proceeds	(86,294)	(28,300)	(114,594)	(255,000)	(11,000)	(266,000)
. Net realised gains (losses)	6,349	2,345	8,694	966	(1,679)	(713)
	(79,945)	(25,955)	(105,900)	(254,034)	(12,679)	(266,713)
Net unrealised investment gains	250,308	85,702	336,010	69,007	24,266	93,273
Market value at 30 June 2021	2,543,028	841,371	3,384,399	2,170,952	763,365	2,934,317
Cash held by investment managers for re-investment	64,145	5,495	69,640	88,450	5,541	93,991
	2,607,173	846,866	3,454,039	2,259,402	768,906	3,028,308
Cost of listed investments at 30 June 2021	2,175,871	525,596	2,701,467	2,050,024	525,389	2,575,413

All listed investments were dealt in on recognised stock exchanges.

All investment comprise Class A income units in the Sarasin Alpha Endowment Fund.

12 Programme related investments

Programme related investments comprise a property occupied by St Columba's College and Preparatory School, a charitable and not-for-profit organisation, for purposes consistent with the charitable company's objectives.

	2021 £	2020 £
At 1 July 2020	210,598	210,598
Additions	5,255	—
At 30 June 2021	215,853	210,598

13 Debtors

	2021 £	2020 £
Amounts receivable from St Columba's College and Preparatory School (note 20)	28,032	22,707
Other debtors	5,764	2,987
Prepayments and accrued income	2,067	521
	35,863	26,215

14 Creditors – amounts falling due within one year

	2021 £	2020 £
Expense creditors	5,101	2,156
Accruals	10,270	7,000
	15,371	9,156

15 Tangible fixed assets fund

	2021 £	2020 £
At 1 July 2020	1,375,807	1,399,067
Net movement in year	110,642	(23,260)
At 30 June 2021	1,486,449	1,375,807

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charitable company and are not available to finance current expenditure or meet contingencies.

16 Programme related investment fund

The programme related investment fund represents the value of the charitable company's programme related investment. This investment comprises land and buildings owned by the charitable company but used by another charitable and not-for-profit organisation with objectives consistent with those of the charitable company. It is the intention of the trustees that this asset should continue to be used for this purpose until at least 24 December 2026. As such the value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations or part of free reserves.

	2021 £	2020 £
At 1 July 2020	210,598	210,598
Net movement in year	5,255	—
At 30 June 2021	215,853	210,598

17 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2020 £	Amount used £	At 30 June 2021 £
Retirement reserve	1,500,000	300,000	1,800,000
Property repairs fund	250,000	(183,367)	66,633
	1,750,000	116,633	1,866,633

17 Designated funds (continued)

	At 1 July 2019 £	New designations £	At 30 June 2020 £
Retirement reserve	1,000,000	500,000	1,500,000
Property repairs fund	—	250,000	250,000
	1,000,000	750,000	1,750,000

Retirement reserve

During the year to 30 June 2019 the trustees established a retirement reserve, representing monies designated by the trustees to provide for the members of the Congregation in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and those likely to be required.

Property repairs fund

The trustees had set aside £250,000 during the year to meet the planned expenditure on the Watling House property. £183,367 was utilised during the year.

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of monies held on trusts to be applied for specific purposes:

	The Coindre Bursary Trust £	Other funds £	2021 Total funds £	The Coindre Bursary Trust £	Other funds £	2020 Total funds £
At 1 July 2020	768,906	—	768,906	757,344	—	757,344
Income	24,901	550	25,451	25,039	742	25,781
Expenditure	(34,988)	—	(34,988)	(36,064)	(742)	(36,806)
Gains on investments	88,047	—	88,047	22,587	—	22,587
At 30 June 2021	846,866	550	847,416	768,906	—	768,906

The Coindre Bursary Trust represents the funds of the linked charity which are to be used to provide bursaries at St Columba's College.

19 Analysis of net assets between funds

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2021 £
Fund balances at 30 June 2021 are represented by:						
Tangible fixed assets	—	—	—	1,486,449	—	1,486,449
Listed investments	846,866	807,173	1,800,000	—	—	3,454,039
Programme related investments	—	—	—	—	215,853	215,853
Net current assets	550	152,291	66,633	—	—	219,474
Total net assets	847,416	959,464	1,866,633	1,486,449	215,853	5,375,815

	Restricted fund £	General fund £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Total 2020 £
Fund balances at 30 June 2020 are represented by:						
Tangible fixed assets	—	—	—	1,375,807	—	1,375,807
Listed investments	768,906	759,402	1,500,000	—	—	3,028,308
Programme related investments	—	—	—	—	210,598	210,598
Net current assets	—	81,918	250,000	—	—	331,918
Total net assets	768,906	841,320	1,750,000	1,375,807	210,598	4,946,631

The total unrealised gains as at 30 June 2021 constitute movements on revaluation of investments and are as follows:

	Un-restricted funds £	Restricted funds £	2021 Total funds £	Un-restricted funds £	Restricted funds £	2020 Total funds £
Unrealised gains at 30 June 2021 included above:						
Total unrealised gains on listed investments	367,157	315,775	682,932	120,928	237,976	358,904
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 July 2020	120,928	237,976	358,904	58,196	217,376	275,572
Less: in respect to disposals in the year	(4,079)	(7,903)	(11,982)	(6,275)	(3,666)	(9,941)
Add: net gains arising on revaluation arising in the year	250,308	85,702	336,010	69,007	24,266	93,273
Total unrealised gains at 30 June 2021	367,157	315,775	682,932	120,928	237,976	358,904

20 Related party transactions

Brother Ronald Hingle SC, Brother Ivy Leblanc SC and Brother Joseph Holthaus SC were trustees of the Brothers of the Sacred Heart in addition to being trustees of St Columba's College and Preparatory School (the College) during the financial year. During the year to 30 June 2021 income was received from the College as disclosed in notes 1 and 2.

At 30 June 2021, debtors included £28,032 (2020 - £22,707) receivable from the College in relation to recharges under the transfer agreement, stipends of brothers and rental of the programme related investment property (note 13).

The charitable company also reimburses costs in relation to utilities such as gas, electricity, insurance, telephone and food to the College. The amounts reimbursed during the year amounted to £7,560 (2020 - £10,332).

The Coindre Bursary Trust made donations to the College. Donations made during the year amounted to £35,000 (2020 - £36,004).

Details of other transactions with trustees are disclosed in note 8. There are no further related party transactions requiring disclosure (2020 – none).

21 Liability of members

The liability of the members is limited. Every member promises, if the charitable company is dissolved while he remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

22 Capital commitments

There were no capital commitments at 30 June 2021 (2020 - the trustees had approved expenditure of up to £250,000 on roof work to one of the charity's freehold properties) .