

**Sisters  
of the  
Sacred Heart  
of Saint Jacut**

**Annual Report and Accounts**

31 December 2021

Charity Registration Number  
1175076

## Contents

### Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2
Independent auditor's report	15

### Accounts

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the accounts	27

## Reference and administrative details of the charity, its trustees and advisers

<b>Trustees</b>	Sister Yvonne Pilarski Sister Denise Bissonnette Sister Edith Cochard Brother James Boner
<b>District Leader/General Councillor Delegate for the District of Great Britain</b>	Sister Yvonne Pilarski
<b>District Bursar</b>	Sister Yvonne Pilarski
<b>Principal address</b>	Flat 4, Alisa Lodge 4 Oakleigh Park South Whetstone London N20 9JU
<b>Charity registration number</b>	1175076
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	National Westminster Bank plc Argyll House 246 Regent Street London W1B 3PB
<b>Investment managers</b>	Rathbones Investment Management Limited 8 Finsbury Circus London EC2M 7AZ  CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street Barbican London EC1M 6HR7

The trustees present their report and the accounts of the Sisters of the Sacred Heart of Saint Jacut (the charity or the CIO) for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached accounts and comply with the charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The Order of the Sisters of the Sacred Heart of St Jacut (the Congregation) is an international Roman Catholic religious congregation numbering 385 sisters in different areas of the world. It is divided into three Provinces (France, USA and Canada) and four Regions or Districts (Cameroun, Madagascar, Papua New Guinea and Great Britain) and is governed by the Superior General and her Council who are resident in Paris.

The accounts accompanying this report are the accounts of the charity through which the activities and net assets of the Congregation in England are administered.



The Mother House of the Sisters of the Sacred Heart, in Saint Jacut, Brittany

### **The mission of the Congregation**

The mission of the Congregation is clearly stated in the Constitution:

*"To make known to all, particularly the poor, the tenderness and mercy of the Father revealed in Jesus." (Const.No.4)*

Since the Congregation's foundation in France in 1816, this mission has found expression in education and through social and pastoral care especially in respect of the most deprived.



### **The mission of the Congregation (continued)**

The same would characterise the work in England from the very early days (1903 and ff.). In time, the foundation of schools (two of which are still flourishing) and the work of education at all levels were the predominant expression of the same missionary spirit, with the additional focus of pastoral care in both religious and secular contexts.



### **Activities and objectives - the present situation**

#### ***Care of the members***

*Age profile – 31 December 2021*

Age Group <70	Age Group 71 - 80	Age Group Over 80
1	2	4



Nazareth House, Finchley

Four sisters live in a wing in Nazareth House, Finchley.

The wing is called St Martin's. The sisters have their own entrance and live independently, while benefitting from the security of Nazareth House Care Home. Their mid-day meal is provided, and they cater for breakfast and supper themselves.

When the sisters moved into St Martin's in July 2020, the restrictions due to Covid 19 were only beginning to lift. The sisters had hoped to be able to visit the residents of the care home in their rooms and offer them companionship and spiritual care. Unfortunately, although the restrictions were gradually eased during 2021, due to the frailty and vulnerability of the residents and fairly frequent outbreaks of Covid 19, the manager of the Care Home would not allow the sisters to enter the rooms of the residents. This has been the case until December 2021.

**Activities and objectives - the present situation (continued)**

***Care of the members (continued)***

This situation has been disappointing for the sisters, but they understand the necessity of these strict health and safety measures.

Some of the residents attend daily mass in the chapel and the sisters are allowed to talk to them before and after mass and so have been able to foster some kind of relationship with those who go to mass and the sisters are always willing to listen to them and comfort them even if it is only for a limited amount of time.

One of the sisters has taken on the role of sacristan. This role is of invaluable help to the little community of the Sisters of Nazareth. Sister takes care of the sacred altar vessels and altar linen, cleaning them and washing and ironing the linen. She makes sure everything is ready for mass each morning, with the correct readings and liturgical colours. The Superior of the Nazareth House community has commented that they could not do without sister's help.

The mission of the sisters today has been greatly restricted by reduced numbers, the age-profile, and health problems of the sisters. Nevertheless, they continue to live out their mission to the end with love and devotion.

The words of our Constitutions No 58 are of great importance to the sisters and they try to live them as best they can.

*'Whether we exercise an activity or whether we live the limitations of age or sickness, the gift of our life expresses the same ever-present concern.'*

The sisters are engaged in a very active ministry of prayer - prayer for the residents of the Care Home of Nazareth House, and of course prayer for issues in the wider world, especially the suffering caused by war.

The sisters were for many years part of the parish of Whetstone and many people from that parish still contact them to ask for prayers for their different intentions and they feel comforted and consoled by the care and concern of the little community in Nazareth House.

One of the sisters still supports the Mothers Prayers prayer group. She advises the leader (either by telephone or in person, when the Covid restrictions were lifted) and has joined the group by Zoom.

One sister, for personal reasons, resides in an apartment, approximately 3.5 miles from the St Martin community. Her mission is greatly restricted by her age and health problems. She is in frequent contact with the community. She keeps in touch with elderly friends of the sisters and offers advice and help.

## **Activities and objectives - the present situation (continued)**

### ***Care of the members (continued)***

One sister resides in a nursing home in St Albans. This nursing home is non-denominational. The sister continues her mission as Ambassador for the residents, meaning that she brings to the attention of the management any worries or concerns that the residents have shared with her. Sister also organises a weekly prayer service, which the residents greatly enjoy as there is a very joyful atmosphere with prayers and the singing of hymns. This service is non-denominational and most of the residents attend, those who have faith and those who have no faith. Last Christmas sister wrote a religious poem and gave a copy to each of the residents, which they all really enjoyed reading.

### ***Overseas Mission Support***

The CIO helps the mission by contributing money to different projects in the Southern Entities of the Congregation, in particular to Cameroun and Madagascar. Our General Bursar thanks the CIO for the sum of £90,000 received during 2021.

This money was used for:

- ◆ A £20,000 contribution towards the purchase of a jeep for the Angelique Le Sourd Health Centre, Ngong, Cameroon.
- ◆ A £10,000 contribution for a new water supply for the community of Tana, Madagascar and the renovation of a studio house, which is rented out and supplies an income to the community.
- ◆ A £50,000 contribution to the construction of a new community house in Ambositra, Madagascar.

### ***Associates***

There remains a small group of Associates in the District of Great Britain. Before the move to Nazareth House and the restriction of Covid, this group used to meet regularly to share their life and how the Spirituality of the Sisters of the Sacred Heart of Jesus helped them to live out their Christian vocation. Unfortunately, due to the problems of health issues and aging both with the sisters and the Associates, the group has dwindled. Nevertheless, one sister in Nazareth House keeps in touch by letter and by phone calls and a few Associates were able to visit the group in Nazareth House.

### ***Working with other organisations***

In addition to the above, the members of the District continue their association with and their support for:

- ◆ The Roman Catholic Diocese of Westminster
- ◆ The Conference of Religious and other religious congregations
- ◆ CAFOD
- ◆ Aid to the Church in Need

## **Activities and objectives - the present situation (continued)**

### ***COVID-19***

Unfortunately, the Covid 19 virus resurged early in 2021 before the vaccine programme had a chance to take effect. The pandemic and the ensuing restrictions continued to affect social interaction and had a significant economic impact at all levels.

The apostolic activities that the sisters could have carried out in Nazareth House were rendered impossible due to the fragility of the care home residents and the strict regulations concerning visiting. The sisters throughout the Congregation support each other in prayer and through electronic communication.

The Trustees are conscious that income from investments will fluctuate but are taking the long-term view that this will improve again following the end of the forecast recession.

## **Financial review for the year**

### ***Results for the year***

A summary of the year's results is set out on page 19 of the attached accounts.

During the year to 31 December 2021, income was £191,236 (2020 – income amounted to £2,062,117). The components of income were donations (including pensions receivable from members of the Congregation under Gift Aid compliant Deeds of Covenant) and investment income and interest receivable. During 2020, the charity sold its convent at Whetstone and realised a gain of approximately £1.89 million.

During the year the charity incurred expenditure of £340,015 (2020 - £294,752). Expenditure on maintaining the members of the Congregation and enabling them to carry out their charitable work was £214,518 (2020 - £215,308). Donations paid during the year amounted to £109,545 (2020 - £67,263). Further details of donations are given in note 4 to the attached accounts. Investment management fees for the period were £15,952 (2020 - £12,181).

Net expenditure for the year before investment gains was £148,779 (2020 - net income £1,767,365). Net investment gains for the year totalled £548,559 (2020 - £114,062) and resulted in net movement of funds of £399,780 (2020 - £1,881,427).

### ***Financial position and reserves policy***

The balance sheet shows total funds of £6,095,318 at 31 December 2021 (2020 - £5,695,538).

Of this £789,217 (2020: £784,703) represents the net book value of the charity's tangible fixed assets and an equivalent amount has been designated as a tangible fixed assets fund in recognition of the fact that the assets are required for the charity's operations and are not available as a reserve to fund activities or meet future contingencies.

Amounts totalling £4,344,000 (2020: £3,980,000) are designated for the purposes explained in note 14 to the accounts.



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

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

Funds which are available as free reserves i.e. those unrestricted funds not designated for specific purposes or otherwise committed, are shown on the balance sheet as general funds and amount to £962,101 (2020 - £930,835).

It is the trustees' aim to ensure that sufficient funds are generated to be able to provide a proper level of care for sisters of all ages as they need it. The charity is reliant on investment income necessary to meet both current and future requirements. To this end, regular meetings are held to ensure that sufficient funds are generated from the investment portfolio and changes are made to the portfolio as appropriate.

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to generate enough income to cover approximately three year's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments.

At the date of the balance sheet, the trustees consider that the level of free reserves were adequate but not excessive given the inherent volatility on world stock markets at the current time. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the Covid-19 pandemic and given the current macroeconomic and geopolitical environment,

### ***Investment policy and performance***

The charity's investments are managed by Rathbones Investment Management Limited and CCLA Investment Management Limited. There are no restrictions on the charity's power to invest. The investment strategy set by the trustees takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The sisters take particular note of the prudent advice of the charity's investment manager.

The policy adopted by the charity is to maximise total return through a diversified portfolio whilst providing a level of income advised from time to time by the trustees. There is also an Ethical Policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Catholic Church.

The investment policy is generally risk averse with the objective of producing total return through growth in capital and income. The risk profile of the investments will be low/medium and, in order to satisfy the requirements, investments normally comprise of leading UK Government securities, UK leading companies, unit and investment trusts (including those investing in major international markets), and in fixed interest securities which merit an international rating of single A or better.

The performance of the portfolio and the charity's investment strategy have been reviewed by the trustees who have met regularly with the investment managers.

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

### ***Investment policy and performance (continued)***

The policy of the charity is to achieve a combination of income and capital growth within acceptable levels of risk. The trustees of the charity continue to take a long term view and believe the investment policy continues to be appropriate.

During 2020 the charity invested part of the monies received from the sale of property with CCLA Investment Management Limited in their COIF Charities Ethical Investment Fund and a further £230,000 in the COIF Charities Deposit Fund. The monies invested in the deposit fund are held as a short-term investment included within current assets in the balance sheet. £50,000 of these funds were used in the current year to support a project in Madagascar,

The charity's two portfolios of investments had a market value at 31 December 2021 of £5,096,629 (2020: £4,639,410) including cash available for reinvestment of £13,931 (2020: £ 45,588). £4,074,742 was managed by Rathbone Investment Management Limited and £1,021,887 was invested in the COIF Charities Ethical Investment Fund managed by CCLA Investment Management Limited.

During the year, the charity's investments achieved an income yield of 1.92% and a capital yield of 10.32%. The performance of the portfolio reflected the condition of the markets generally throughout the period. The investment managers continued to invest in accordance with the trustees' investment policy set out above. Further details of the investment portfolio are detailed in note 10 to the attached accounts.

### **Future plans**

At present, four of the members live in St Martin, Nazareth House, receiving the care they need and making use of local facilities. They avail of the spiritual care given to the residents of the Nazareth House Care Home and are able to take part in all the liturgies. They are also able to live a certain degree of independence and wish to have a greater degree of involvement with the residents, offering spiritual comfort and a listening ear.

The objectives of the trustees of the charity now include:

- ◆ Ensuring all members of the Congregation receive the high level of care they require to provide them with the quality of life they have a right to expect, having devoted all their lives to the mission of the Congregation.
- ◆ Enabling all the members of the Congregation to live their mission to the end of their days, as far as they are able, given the limitations of age and health.
- ◆ Monitoring the health and needs of the sister who lives alone in an apartment-perhaps offering her alternate accommodation, if this would be appropriate for her.
- ◆ Paying due heed to the continuing impact of the Covid 19 pandemic, and also the worrying fluctuations of the financial markets at the moment given the current macroeconomic and geopolitical environment.

## **Governance, structure and management**

### ***Governance***

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her Council in Paris. These officials are elected every six years at a General Chapter, the most recent of which was in August 2019. The Superior General visits each area of the Congregation, including the district of Great Britain, at least once in her six-year mandate.

The District of Great Britain comprised seven sisters as at 31 December 2021. Although Sister Yvonne is the General Councillor Delegate, she is a member of the Generalate community in Paris. These sisters are from different countries, which give the district an element of internationality.

The District is governed by the General Councillor Delegate. Her mandate is for six years. Sr Yvonne visits the sisters regularly and keeps in touch with them by means of phone calls and emails. She frequently consults the sisters of the District on all aspects of their lives, especially the problems and difficulties due to aging and failing health. and discusses with them different aspects of their mission

In terms of Civil law, the charity is governed by a constitution dated 10 October 2017 and is a Charitable Incorporated Organisation, Charity Registration number 1175076. The trustees are presently the General Councillor Delegate, the General Bursar, a member of the district and a Religious from another Congregation. As all trustees are either members of the Congregation or have a historic connection to the Congregation, they have a detailed knowledge of the work of the charity and of its structures. On being appointed, new trustees are required to spend some time with those leaving office, to receive a briefing on their responsibilities and the current position of the charity. They also meet with the Congregation's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position. On-going in-service training takes place during the mandate.

### ***Trustees***

The charity's constitution states that there must be at least three charity trustees and no more than four trustees. Trustees are appointed for a term of six years by a resolution passed by the charity trustees.

In selecting new individuals for appointment as trustees, the existing charity trustees have regard to the skills, knowledge and experience needed for the effective administration of the charity.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this Annual Report and Accounts.

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

### ***Trustees (continued)***

Brief biographical details of the trustees are as follows:

#### ***Sister Yvonne Pilarski***

A qualified teacher with a degree in French and German, Sister Yvonne worked in education for 20 years, holding various posts of responsibility including School Chaplain and Head of Department of Religious Studies until her retirement in 2013.

In January 2018 Sister Yvonne was asked to take over the leadership of the District of Great Britain and she was also asked to be District Bursar from January 2019. In August 2019 Sister Yvonne was elected as a General Councillor for the Congregation and in September 2019 was named as General Councillor Delegate for the District of Great Britain.

#### ***Sister Denise Bissonnette***

Canadian born Sister Denise came to England in 1961 and after a five-year period in teaching, trained for and gave many years to nursing and midwifery. She served as District Bursar until 31 December 2018.

#### ***Sister Edith Cochard***

Sister Edith worked in France for many years as a primary school teacher. In 1995 she was asked to go to Papua New Guinea as a formation director. In 2014 she was named General Bursar for the Congregation and now resides in Paris.

#### ***Brother James Boner***

Brother James is a Capuchin Friar. For many years he was chairman of the Association of Provincial Bursars and the General Secretary of the Conference of Religious in England and Wales. He holds a number of positions as a trustee and ethics advisor. At present he is Provincial Minister for the Capuchin Franciscans in Great Britain and a special envoy for the Capuchin's General Minister in Rome.

### ***Structure and management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review all aspects regarding the charity and its activities, to plan and make relevant decisions for the future. When necessary, the trustees seek advice and support from the charity's professional advisers, including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities and the implementation of policies are delegated to the appropriate members of the Congregation.

### ***Statement of trustees' responsibilities***

The trustees are responsible for preparing the trustees' report and accounts 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)***

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments 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 accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### ***Key management personnel***

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

Three of the trustees are members of the Congregation, but only one is a member of the District. Her living and personal expenses are borne by the charity. The Trustees receive neither remuneration nor reimbursement of expenses in connection with their duties as trustees or key management personnel.

### ***Liability of the members***

If the charity is wound up, the members of the charity, who are also the trustees of the charity, have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

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

### ***Policy on receipt of donations and legacies***

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It protects donors' data and never sells data, it never swaps data and ensures that communication preference can be changed at any time. The charity does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its approach to those who give it money and to learn from them. During the year, the charity received no such complaints.

### ***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 Congregation and the charity currently face and have reviewed the measures already in place to deal with them.

As noted above, the outbreak of the Covid-19 pandemic has clearly presented challenges to the charity and its activities which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity and the sisters. With the exception of the challenges faced because of the Covid-19 pandemic, the areas identified for particular attention within our risk management strategy are:

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws, regulations, external and environment

**Governance and management:** looks at the risk of the Congregation, and hence the charity, of the skills and training of its members, and the good use of its resources.

An analysis of the age profile of the sisters shows that the average age at 31 December 2021 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the sisters. None of the sisters have resources of their own as all earnings, pensions and any other income have been donated to the charity under a Gift Aid compliant Deed of Covenant.

As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: a) ensuring that the charity has the available financial resources to finance this care both now and in the future 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 the ministries and needs of individual sisters -identifying those who need extra care and help.

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

### ***Risk management*** (continued)

**Operational:** looks at the risks inherent in the activities of the charity.

The trustees recognise the absolute necessity of ensuring the protection and safety of all whom the charity serve. This means that all sisters who are in any kind of ministry have obtained clearance from the Disclosure and Barring Service (DBS). The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS).

The activities of the charity do not involve work with children but they do involve work with adults who may need help at particularly vulnerable moments in life.

**Financial:** looks at risks including those arising as a result of poor budgetary control, poor accounting and poor management of the investment portfolio.

The charity'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 reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet with the investment managers regularly 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 charity's needs both now and in the future. In the aftermath of the Covid-19 pandemic and given the current macroeconomic and geopolitical environment, the trustees continue to communicate with the charity's investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long-term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

**Reputational:** looks at possible damage to the Congregation's and hence the reputation of the charity.

**Laws, regulations, external and environment:** looks at the effect of government policies and the consequences of non-compliance with laws and regulations in so far as they are applicable to the Congregation's activities.

Having assessed the major risks to which the charity 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, they have established effective systems to mitigate those risks.

The trustees are united in their concern for the overall health and wellbeing of each of the members of the District. They are equally concerned that the members be supported and encouraged to live to the full the Mission of the Congregation to which each one has professed.

In addition, they have concern for the respect due to their employees, their appropriate remuneration and their overall well-being.

***Employees, volunteers and members of the Congregation***

The members of the Congregation continue to give unsparing service and dedication to all the Congregation's works and the trustees wish to record their appreciation.

Signed on behalf of the trustees:

Y.Pilarski

Approved by the trustees on: 20/10/22



**Independent auditor's report to the trustees of the Sisters of the Sacred Heart of Saint Jacut**

**Opinion**

We have audited the accounts of the Sisters of the Sacred Heart of Saint Jacut (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 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 Charities Act 2011.

**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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

**Other information** (continued)

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the Charity through discussions with management and trustees, and from our knowledge and experience of the charity sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and reviewed minutes of trustees' meetings.

We assessed the susceptibility of the Charity's accounts 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.

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

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

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 accounts disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of trustees; and
- ◆ enquiring of management and trustees as to actual and potential litigation and claims.

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

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

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

**Use of our report**

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

28 October 2022

Date:

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities** Year to 31 December 2021

	Notes	2021 £	2020 £
<b>Income from:</b>			
Donations	1	<b>114,754</b>	114,167
Investments and interest receivable	2	<b>74,559</b>	52,857
Other sources			
Surplus on disposal of tangible fixed assets		<b>1,917</b>	1,894,993
Miscellaneous income		<b>6</b>	100
<b>Total income</b>		<b>191,236</b>	2,062,117
<b>Expenditure on:</b>			
Raising funds			
Investment management fees		<b>15,952</b>	12,181
Charitable activities			
Support of members of the Congregation and their ministry	3	<b>214,518</b>	215,308
Charitable donations	4	<b>109,545</b>	67,263
<b>Total expenditure</b>		<b>340,015</b>	294,752
<b>Net (expenditure) income for the year before net investment gains</b>	6	<b>(148,779)</b>	1,767,365
<b>Net investment gains</b>	10	<b>548,559</b>	114,062
<b>Net income and net movement in funds</b>		<b>399,780</b>	1,881,427
<b>Reconciliation of funds:</b>			
Funds brought forward at 1 January 2021		<b>5,695,538</b>	3,814,111
Funds carried forward at 31 December 2021		<b>6,095,318</b>	5,695,538

All income and expenditure of the charity for the year to 31 December 2021 is in respect to unrestricted funds (2020: all income except for £520 and expenditure of £520) (see note 1).

All of the charity's activities during the above financial periods derived from continuing operations.

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

**Balance sheet** 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	9		<b>789,217</b>		784,703
Investments	10		<b>5,096,629</b>		4,639,410
			<b>5,885,846</b>		5,424,113
<b>Current assets</b>					
Debtors	11	<b>22,567</b>		9,413	
Current asset investments		<b>180,068</b>		230,042	
Short term deposits		<b>41,353</b>		41,349	
Cash at bank and in hand		<b>25,150</b>		47,088	
		<b>269,138</b>		327,892	
<b>Creditors:</b> amounts falling due within one year	12	<b>(59,666)</b>		(56,467)	
<b>Net current assets</b>			<b>209,472</b>		271,425
<b>Total net assets</b>			<b>6,095,318</b>		5,695,538
<b>The funds of the charity</b>					
Unrestricted funds					
. General funds			<b>962,101</b>		930,835
. Tangible fixed assets fund	13		<b>789,217</b>		784,703
. Designated fund					
.. Retirement reserve fund	14		<b>3,144,000</b>		3,000,000
.. Financing and Congregational fund	14		<b>1,200,000</b>		980,000
			<b>6,095,318</b>		5,695,538

Approved by the trustees and signed  
on their behalf by:

Y.Pilarski

Trustee

Approved by the trustees on: 20/10/22

## Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(230,983)</b>	(175,038)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>72,642</b>	51,077
Proceeds from the disposal of tangible fixed assets		<b>—</b>	2,097,843
Purchase of tangible fixed assets		<b>(4,907)</b>	—
Proceeds from the disposal of investments		<b>445,157</b>	576,120
Withdrawals from (invested in) current asset investments		<b>49,974</b>	(230,042)
Purchase of fixed asset investments		<b>(385,474)</b>	(2,264,989)
<b>Net cash provided by investing activities</b>		<b>177,392</b>	230,009
<b>Change in cash and cash equivalents in the year</b>		<b>(53,591)</b>	54,971
<b>Cash and cash equivalents at 1 January 2021</b>	B	<b>134,025</b>	79,054
<b>Cash and cash equivalents at 31 December 2021</b>	B	<b>80,434</b>	134,025

Notes to the statement of cash flows for the year to 31 December 2021.

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

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>399,780</b>	1,881,427
<b>Adjustments for:</b>		
Depreciation charge	<b>393</b>	2,735
Gains on investments	<b>(548,559)</b>	(114,062)
Investment income and interest receivable	<b>(74,559)</b>	(52,857)
(Increase) decrease in debtors	<b>(9,320)</b>	2,081
Increase in creditors	<b>3,199</b>	631
Surplus on disposal of tangible fixed assets	<b>(1,917)</b>	(1,894,993)
<b>Net cash used in operating activities</b>	<b>(230,983)</b>	(175,038)

### B Cash and cash equivalents

	As at 31 December 2020 £	Cash flows £	As at 31 December 2021 £
Short term deposits	41,349	(16,199)	<b>25,150</b>
Cash at bank and in hand	47,088	(5,735)	<b>41,353</b>
Cash held by investment managers	45,588	(31,657)	<b>13,931</b>
<b>Total cash and cash equivalents</b>	<b>134,025</b>	<b>(53,591)</b>	<b>80,434</b>

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

## **Principal accounting policies 31 December 2021**

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

### **Basis of preparation**

These accounts have been prepared for the year ended 31 December 2021 with comparative information given in respect to the year to 31 December 2020.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (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 Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

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

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

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the probability of the receipt of legacy income;
- ◆ determining the value of designated funds including the determination of 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 accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.



**Assessment of going concern** (continued)

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

**Income recognition**

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

Income comprises donations, investment income, bank interest receivable, the surplus on disposal of tangible fixed assets and other income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity 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 charity 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 charity 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)

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on the disposal of tangible fixed assets is calculated as the difference between disposal proceeds and the net book value of the asset immediately prior to disposal. The disposal is accounted for at the date of legal completion.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charity 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 charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

### **Expenditure recognition (continued)**

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

Charitable donations are made where the trustees consider there is real need following a review of the details of each particular case. Donations are included in the statement of financial activities when approved for payment. Provision is made for donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

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

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

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation as any governance costs in relation to the provision of donations and grants is considered to be negligible.

### **Tangible fixed assets**

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

- ◆ Land and buildings  
Land and buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to land and buildings are accounted for on legal completion of the relevant transaction.

#### **Tangible fixed assets (continued)**

- ◆ Building improvements  
Expenditure in relation to major improvements to the buildings is capitalised and depreciated over a ten year period on a straight line basis.
- ◆ Furniture, equipment and motor vehicles  
Expenditure on the purchase of furniture, equipment and motor vehicles is capitalised and depreciated over a five year period on a straight line basis.

#### **Fixed asset investments**

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

The charity does not acquire put options, derivatives or other complex financial instruments. As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

#### **Debtors**

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

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

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

#### **Current asset investments**

Current asset investments represent such accounts and instruments that are available on demand and are held in deposit funds administered by institutions other than those designated as banks.

**Creditors and provisions**

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

**Fund structure**

The funds of the charity comprise unrestricted funds available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds are amounts representing tangible fixed assets and amounts which the trustees have designated for specific purposes. Details of these are provided in notes 13 and 14 respectively.

**Services provided by members**

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

# 1 Income from: donations

	2021 £	2020 £
Salaries and pensions of individual religious received under deed of covenant and gift aid	114,754	113,647
Other donations	—	520
	<b>114,754</b>	<b>114,167</b>

Other donations for 2020 comprised a donation of £520 received for the purchase of an iPad for a sister. This donation was utilised fully for this specific purpose during that year.

# 2 Income from: investments and interest receivable

	2021 £	2020 £
<b>Income from listed investments</b>		
. UK fixed interest bonds	20,127	9,361
. Overseas fixed bonds	11,330	8,949
. UK equities	23,068	16,934
. Overseas equities	16,997	14,690
. Alternatives and property	3,007	2,867
	<b>74,529</b>	<b>52,801</b>
<b>Interest received</b>		
. Current asset investments - interest	26	20
. Bank interest	4	36
	<b>74,559</b>	<b>52,857</b>

# 3 Expenditure on: support of members of the Congregation and their ministry

	2021 £	2020 £
Staff costs	—	6,668
Premises	17,744	29,535
Sisters' living and personal expenses	40,223	41,412
Nursing care and medical costs	88,082	75,805
Sisters' accommodation and related costs	36,066	15,000
Education, training and spiritual renewal	1,740	547
Support costs		
. Legal and professional fees	6,409	18,697
. Miscellaneous support costs	414	888
. Property removal costs	—	9,797
. Governance costs (note 5)	23,840	16,959
	<b>214,518</b>	<b>215,308</b>

#### 4 Expenditure on: charitable donations

Donations during the year comprised:

	2021 £	2020 £
Contributions to the Congregation's Generalate		
. support of overseas missions	80,000	40,000
. support of the work of the Generalate	29,000	27,000
Other sundry donations	545	263
	<b>109,545</b>	<b>67,263</b>

At 31 December 2020, the trustees had agreed in principle to donate £230,000 to the Generalate of the Congregation but final confirmation of this was subject to the Generalate providing details of projects that were acceptable to the trustees. At 31 December 2021 £180,000 remains to be donated. No provision has been recognised in these accounts in relation to this amount but it is included within the amount designated as part of the Financing and Congregational Fund (see note 14).

#### 5 Governance costs

	2021 £	2020 £
Legal and professional fees	23,840	16,959

#### 6 Net (expenditure) income for the year before net investment gains

This is stated after charging:

	2021 £	2020 £
Staff costs (note 7)	—	6,668
Auditor's remuneration		
. Statutory audit services:		
.. Current year	13,680	11,520
.. Previous year	2,160	1,980
. Other services: advisory services	990	6,300
Depreciation	393	2,735

#### 7 Staff costs and key management personnel

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	—	3,742
Redundancy payments	—	2,926
	<b>—</b>	<b>6,668</b>

The charity did not employ staff during the year. The average number of employees during 2020 was 2. No employee earned more than £60,000 during the year. All staff were employed to support members of the Congregation and their ministry. The trustees consider that they comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

## 8 Taxation

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

## 9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2021	784,183	1,300	22,134	<b>807,617</b>
Additions	—	4,907	—	<b>4,907</b>
Disposals	—	—	(9,730)	<b>(9,730)</b>
At 31 December 2021	<u>784,183</u>	<u>6,207</u>	<u>12,404</u>	<b><u>802,794</u></b>
<b>Depreciation</b>				
At 1 January 2021	—	780	22,134	<b>22,914</b>
Charge for the year	—	393	—	<b>393</b>
On disposals	—	—	(9,730)	<b>(9,730)</b>
At 31 December 2021	<u>—</u>	<u>1,173</u>	<u>12,404</u>	<b><u>13,577</u></b>
<b>Net book values</b>				
At 31 December 2021	<u><b>784,183</b></u>	<u><b>5,034</b></u>	<u><b>—</b></u>	<b><u>789,217</u></b>
At 31 December 2020	<u>784,183</u>	<u>520</u>	<u>—</u>	<b><u>784,703</u></b>

Land and buildings include two properties held on long leases originally of 125 years, both of which commenced on 25 March 2014. The net book value of these properties at 31 December 2021 was £ 784,183 (2020 - £784,183).

As permitted under Financial Reporting Standard 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets.

## 10 Investments

	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 January 2021	<b>4,593,822</b>	2,790,891
Additions at cost	<b>385,474</b>	2,264,989
Disposals at book value (see below)	<b>(395,514)</b>	(643,969)
Net unrealised investment gains	<b>498,916</b>	181,911
Market value at 31 December 2021	<b><u>5,082,698</u></b>	4,593,822
<b>Cash held by investment managers for re-investment</b>	<b>13,931</b>	45,588
	<b><u>5,096,629</u></b>	4,639,410
Cost of listed investments at 31 December 2021	<b><u>3,776,639</u></b>	3,799,471

## 10 Investments (continued)

Disposals at book value included above are made up of the following:

	2021 £	2020 £
Proceeds	445,157	576,120
(Gains) losses	(49,643)	67,849
Disposals at book value	395,514	643,969

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
UK Common investment funds	1,021,887	874,840
UK fixed interest bonds	698,073	789,933
Overseas fixed bonds	575,433	571,172
UK equities	664,260	670,051
Overseas equities	1,668,999	1,277,716
Alternatives and property	454,046	410,110
	5,082,698	4,593,822

All listed investments were dealt in on a recognised stock exchange.

Listed investments included the following holdings deemed material when compared with the overall portfolio valuation:

Holding	2021		2020	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
CCLA COIF Ethical Investment Fund	1,021,887	20.11%	874,840	19.04

## 11 Debtors

	2021 £	2020 £
Investment income receivable	4,287	2,370
Prepayments	16,363	7,043
Other debtors	1,917	—
	22,567	9,413

## 12 Creditors: amounts falling due within one year

	2021 £	2020 £
Expense creditors	1,735	573
Amounts held on behalf of individual sisters	41,591	41,591
Accruals	16,340	14,303
	59,666	56,467



### 13 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	784,703	990,288
Net movements in the year	4,514	(205,585)
At 31 December 2021	789,217	784,703

The tangible fixed assets fund represents the net book value of the charity's freehold properties and other tangible assets. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets were essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

### 14 Designated funds

The income funds of the charity include the following funds designated by the trustees:

#### *Retirement reserve fund*

The retirement reserves fund consists of monies set aside by trustees in order to provide for the sisters in the future. The calculations of the fund are based on actuarial methods taking into account of the increasing costs of specialised care required as the sisters grow older.

	2021 £	2020 £
At 1 January 2021	3,000,000	2,250,000
Designated during the year	144,000	750,000
At 31 December 2020	3,144,000	3,000,000

#### *Financing and Congregational fund*

The Financing and Congregational fund has been established to finance future grants and donations. The trustees are yet to formalise their plans for the future and need to carry out further work on deciding how these funds are to be applied.

	2021 £	2020 £
At 1 January 2020	980,000	—
Utilised during the year	(50,000)	—
Designated during the year	270,000	980,000
At 31 December 2020	1,200,000	980,000

As noted above (note 4), at 31 December 2020 the charity had committed to fund overseas projects of the Generalate to a value of £230,000. £50,000 was utilised during the year to 31 December 2021. No provision is recognised in the accounts in relation to the balance of this commitment as the Generalate has not formalised the details of further projects to date. The amount set aside for this purpose has been deposited with CCLA Investment Management Limited and is classified as a current asset investment in these accounts.

**15 Analysis of net assets between funds**

The fund balances are represented by the following assets and liabilities.

	General fund £	Tangible fixed assets fund £	Designated funds £	2021 Total funds £
<b>Fund balances at 31 December 2021</b>				
<b>are represented by:</b>				
Tangible fixed assets	—	789,217	—	789,217
Investments	982,629	—	4,114,000	5,096,629
Net current assets	(20,528)	—	230,000	209,472
<b>Total net assets</b>	<b>962,101</b>	<b>789,217</b>	<b>4,344,000</b>	<b>6,095,318</b>
	General fund £	Tangible fixed assets fund £	Designated fund £	2020 Total funds £
<b>Fund balances at 31 December 2020</b>				
<b>are represented by:</b>				
Tangible fixed assets	—	784,703	—	784,703
Investments	889,410	—	3,750,000	4,639,410
Net current assets	41,425	—	230,000	271,425
<b>Total net assets</b>	<b>930,835</b>	<b>784,703</b>	<b>3,980,000</b>	<b>5,695,538</b>

The total unrealised gains as at 31 December 2021 constitute movements on revaluation of listed investments and were as follows:

	2021 £	2020 £
<b>Total unrealised gains on investments included above:</b>	<b>1,306,059</b>	794,351
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2021	794,351	648,431
In respect to disposals in year	12,792	(35,991)
Net gains arising on revaluation in the year	498,916	181,911
Unrealised gains at 31 December 2021	<b>1,306,059</b>	794,351

**16 Transactions with trustees and other related party transactions**

Three of the charity's trustees are members of the Congregation. One of these is resident in England and her living and personal expenses have been borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2020 – £nil).

As members of the Congregation, three of the trustees have no resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £41,480 (2020 – £40,856).

**16 Transactions with trustees and other related party transactions** (continued)

Two of the trustees are General Councillors of the Congregation. During the year, the charity made donations to the Generalate of the Congregation totalling £109,000 (2020 – £67,000). Neither General Councillor had any involvement in the decision to make the donations.

There were no other related party transactions during the year which require disclosure (year to 31 December 2020 – none).

**17 Ultimate control and liability of the member**

The charity, which is constituted as a trust, was controlled throughout the period by the Congregation of the Sisters of the Sacred Heart of St Jacut, by virtue of the fact that the relevant superior of the Congregation appoints all of the trustees.