

# SOCIETY OF THE SACRED HEART CIO

England & Wales · Charity number 1179288

## Details

**Status** Registered

**Legal form** CIO

**Registered** 2018-07-23

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

## Contact

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## Activities

**Objects:** THE OBJECT OF THE CIO IS THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION THROUGH THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE SOCIETY AS THE TRUSTEES WITH THE APPROVAL OF THE PROVINCIAL SUPERIOR SHALL FROM TIME TO TIME THINK FIT INCLUDING, BUT NOT LIMITED TO:(1) THE SUPPORT OF THE MEMBERS OF THE SOCIETY AND THEIR CHARITABLE WORKS;(2) THE ADVANCEMENT OF EDUCATION OF THE PUBLIC IN ACCORDANCE WITH THE PRINCIPLES AND DOCTRINES OF THE ROMAN CATHOLIC RELIGION; AND(3) THE RELIEF OF POVERTY.

**Activities:** THE SUPPORT OF THE MEMBERS OF THE SOCIETY AND THEIR CHARITABLE WORKS; THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION; THE ADVANCEMENT OF EDUCATION; THE RELIEF OF POVERTY.

## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities, Other Charitable Purposes
- **Who:** The General Public/mankind

## Geography

- Throughout England And Wales

## Finances

| Period end | Income     | Expenditure | Assets      | Employees |
|------------|------------|-------------|-------------|-----------|
| 2025-06-30 | £2,398,167 | £4,386,310  | £50,099,127 | 59        |
| 2024-06-30 | £2,273,092 | £3,295,073  | £52,216,155 | 57        |
| 2023-06-30 | £2,313,090 | £3,207,541  | £50,146,530 | 53        |
| 2022-06-30 | £2,139,785 | £3,421,066  | £50,137,531 | 48        |
| 2021-06-30 | £2,038,395 | £2,752,665  | £53,535,063 | 49        |

## Trustees

| Name                         | Role | Appointed  |
|------------------------------|------|------------|
| CATHERINE ANNE LLOYD         |      | 2019-07-01 |
| SISTER CHRIS EDWARDS         |      | 2018-07-23 |
| Sister Bernadette Porter     |      | 2022-09-12 |
| Sister Lorraine Ann Pratt    |      | 2020-05-01 |
| Sister Margaret Wilson       |      | 2019-07-01 |
| Sister Marianne Tavares      |      | 2022-09-12 |
| Sister Sheila McNamara       |      | 2018-07-23 |
| Sister Stephanie Ann Romaine |      | 2020-05-01 |

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# Accounts

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**Society of  
the Sacred Heart  
CIO**

**Annual Report and Accounts**

30 June 2025

Charity Registration Number 1179288



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

|                                    |                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Sister Christine Edwards RSCJ<br>Sister Catherine Lloyd RSCJ (Chair until 26 June 2025)<br>Sister Sheila McNamara RSCJ<br>Sister Bernadette Porter RSCJ<br>Sister Lorraine Pratt RSCJ<br>Sister Stephanie Romaine RSCJ<br>Sister Marianne Tavares RSCJ<br>Sister Margaret Wilson RSCJ (Chair from 27 June 2025) |
| <b>Provincial Superior</b>         | Sister Catherine Lloyd RSCJ (until 26 June 2025)<br>Sister Margaret Wilson RSCJ (from 27 June 2025)                                                                                                                                                                                                             |
| <b>Administrative Address</b>      | 3 Bute Gardens<br>Hammersmith<br>London<br>W6 7DR                                                                                                                                                                                                                                                               |
| <b>Telephone</b>                   | 020 8741 4688                                                                                                                                                                                                                                                                                                   |
| <b>Charity Registration Number</b> | 1179288                                                                                                                                                                                                                                                                                                         |
| <b>Auditor</b>                     | Buzzacott Audit LLP<br>130 Wood Street<br>London<br>EC2V 6DL                                                                                                                                                                                                                                                    |
| <b>Bankers</b>                     | HSBC Bank plc<br>53-55 Uxbridge Road<br>London<br>W5 5SA                                                                                                                                                                                                                                                        |
| <b>Solicitors</b>                  | Pothecary Witham Weld<br>84 Eccleston Square<br>Pimlico<br>London<br>SW1V 1PX                                                                                                                                                                                                                                   |
| <b>Investment managers</b>         | CCLA Investment Management Limited<br>1 Angel Lane<br>London<br>EC4R 3AB                                                                                                                                                                                                                                        |

## **Report of the trustees** Year to 30 June 2025

The trustees present their annual report together with the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year to 30 June 2025.

The accounts have been prepared in accordance with the accounting policies set out on pages 33 to 38 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

The Society of the Sacred Heart is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a constitution dated 23 July 2018.

The CIO was set up to continue the work of the Society of the Sacred Heart Charitable Trust (the predecessor charity), an unincorporated charity (Charity Registration Number 227848). The unincorporated charity remains a separate entity which the Society is acting to remove from the register.

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution.

The Society established its first community in England in December 1842. Members mostly live in small communities. Central to the lives of members is a rhythm of prayer and reflection, in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as possible and to meet the needs of our world – locally, nationally and globally - supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish, and God's love be made known to all.

Our apostolic priorities as an international congregation are education, spirituality, formation and justice, peace and integrity of creation.

### **Objectives**

Our objectives are drawn from these apostolic priorities and include:

- ◆ the support of the members of the Society and their charitable works;
- ◆ the advancement of education;
- ◆ the advancement of the Roman Catholic religion; and
- ◆ the relief of poverty.

### **Leadership in the Society**

The Society is present on all continents and in forty one countries. It is divided into Provinces by country or region. The central government of the Society - the General Council and the Treasurer General – is based in Rome.

In 2021 the Society began the work of restructuring its governance with a proposed reduction from twenty seven provinces or areas to eight.

The Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members worldwide in the ensuing eight-year period.

The Society's General Chapter met in August 2024 and formally ratified the creation of eight provinces including our new province of Central Europe and the Islands comprising Ireland and Scotland, Austria, Germany, Hungary, England and Wales and Malta.

In December 2024, Sr Margaret Wilson was named as Provincial (Canonical Leader) for this new Province.

Our new province of Central Europe and the Islands began on June 27<sup>th</sup> 2025 with Sr Margaret Wilson assuming the role of Provincial and Chair of Trustees of our charity.

Our civil governance and structures in England and Wales are unchanged by these changes to our canonical governance.

This report will describe work carried out in the area of England and Wales and our plans for future work.

### **Activities and performance**

In setting the charity's objectives and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit.

This report gives an overview of our work and pays particular attention to some of the ways in which we have sought to respond to and meet our objectives as a charity.

Much of our work is interwoven with our core belief in God and our membership of the Roman Catholic Church. These beliefs, along with our apostolic priorities of education, commitment to being at the service of the materially and spiritually poor and the marginalised, and our effort to meet the needs of our own members in this Province and in the wider international Society, constitute the activities of the Society.

### **Governance and Management**

Leadership and government in the England Wales province are carried out with due regard to Canon and civil law. Our leadership structures conform to the constitution of the Society of the Sacred Heart constitution and UK charity law. Until June 26<sup>th</sup> 2025, our leadership team comprised the Provincial and her team of two. From June 27<sup>th</sup> 2025, our Canonical leadership team comprises Sr Margaret Wilson as Provincial along with a team of three.



Sr Cath Lloyd hands over to Sr Margaret Wilson

## Report of the trustees Year to 30 June 2025

Eight sisters act as Trustees of the CIO. [Table 1](#) sets out members of the Society involved in provincial leadership and the governance of our CIO during the report period.

The Society employs a total of 56 lay staff in England and Wales of whom 45 are employed at our care home. Other lay staff include those supporting the work of the charity in areas such as health, safeguarding, finance, administration and archive management.

Day to day management of lay staff is delegated to our Executive Director who works closely with the Provincial Team and the Board of Trustees.



Sisters Margaret Wilson, Angela Corsten, Rita Szentistvanvi and Kata Heim

| Name                  | Provincial Team                          | Trustees of Charity                                                     | Other Governance Structures         |
|-----------------------|------------------------------------------|-------------------------------------------------------------------------|-------------------------------------|
| Sr Catherine Lloyd    | Provincial (until June 26th)             | Chair until June 26th then Trustee                                      |                                     |
| Sr Margaret Wilson    | Provincial (from June 27 <sup>th</sup> ) | Trustee until June 26 <sup>th</sup><br>Chair from June 27 <sup>th</sup> |                                     |
| Sr Angela Corsten     | From June 27 <sup>th</sup>               |                                                                         |                                     |
| Sr Rita Szentistvanvi | From June 27 <sup>th</sup>               |                                                                         |                                     |
| Sr Kata Heim          | From June 27 <sup>th</sup>               |                                                                         |                                     |
| Sr Stephanie Romaine  |                                          | Trustee                                                                 |                                     |
| Sr Chris Edwards      |                                          | Trustee                                                                 | Chair of Finance Advisory Committee |
| Sr Lorraine Pratt     |                                          | Trustee                                                                 |                                     |
| Sr Marianne Tavares   | Until June 26 <sup>th</sup>              | Trustee                                                                 |                                     |
| Sr Sheila McNamara    | Until June 26 <sup>th</sup>              | Trustee                                                                 |                                     |
| Sr Bernie Porter      |                                          | Trustee                                                                 |                                     |

Table 1

During the report period, Trustees reviewed the governance arrangements for our resources and resolved to strengthen this through the addition of lay advisors with specific expertise in investments, property and finance. This new committee comprising three community members and three lay experts will act as a Finance Sub-Committee to our Board of Trustees, offering strategic advice and assisting with future financial planning. Recruitment of suitably qualified lay experts is in progress at the time of writing.

### Supporting members of the Society and their charitable ministries

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of our members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

*We are so grateful for our neighbours; those who have brought friendship and those who have brought challenges, for the weddings we've attended and pain we've shared.*

Boleyn Rd Community

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the province – to accompany and support newer members through each stage, i.e. candidacy, novitiate and temporary vows, and through each discernment and transition.

#### Ongoing personal development of our members.

Each RSCJ is responsible for her on-going development, and the province tries to support and offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological, and emotional levels. Individual members of the province have followed sabbatical programmes, some in established centres, others through a programme they have designed with the approval of the Provincial Leadership Team.

Members of the Society in England and Wales have a median age of 82 years. In recent years, our leadership team and our trustees have taken a series of steps designed to support our members thus enabling them to remain in active ministry for as long as is possible.

#### Networking and Community

Throughout the year, Sisters have met with each other in a range of formal and informal settings.

During the report period, members met for formal gatherings in November and March. These meetings enable the leadership team and trustees to update members on key developments and to consult with them on a range of matters such as finance, heritage and legacy planning.

Informal social gatherings took place throughout the year including a Christmas gathering in London and festive events at Duchesne House, our care home. Outside of structured events, Sisters meet regularly on a face to face and online basis often to discuss aspects of scripture or spirituality.

Each community member has a designated Provincial Team member or link RSCJ who is available by telephone or during visits to offer support. In addition, many community members who live alone or distant from others are members of online or face to face groups offering opportunities for companionship and worship.

*Those of us who live alone in the Roehampton area continue to meet fairly regularly for celebrations, or just to meet and share where we are in our lives and pray together. A group of us also continue the Reading Group which gives us much to think about, talk about and be challenged by. I am thankful for the opportunities Zoom provides!*

Sr Barbara Sweeney RSCJ

### Health and Wellbeing

The Society employs a lay Health Advisor who offers health advice, advocacy, support and accompaniment to those Sisters living independently outside of our care home. The age profile of the Sisters means that demands on her time have increased. Following a review, we have appointed a second Health Advisor to ensure that members receive the health support needed.

As members of the Society get older, the support offered by our lay staff and other services mean that sisters can live independently for as long as is possible.

*Medical appointments have played a large part and visits / support from (Health Advisor) are invaluable and ongoing. Also help from a local voluntary group who provide transport to local appointments. A home help from Age Concern helps with shopping and another with the garden.*

RSCJ – Name withheld

### Duchesne House

Duchesne House is the Society's purpose-built care home in Roehampton offering care and support to up to sixteen sick, frail and elderly sisters. It exists to provide care for members, none of whom have resources of their own and all of whom have dedicated their lives to the educative mission of the Society of the Sacred Heart. A staff team of forty five work to ensure that the congregation receives



Easter Lunch at Duchesne House

the levels of care they require to enable them to live their lives in community as fully as is possible. An onsite chapel facilitates prayer and reflection with weekly Mass. Our fulltime Liturgical and Activities Coordinator organises a programme of internal events and sisters who can do so, attend community events outside Duchesne House. During the report period, the Duchesne House community numbered fourteen sisters. During the year, two sisters died and two joined the community.

*One of the things I appreciate about living in Duchesne, is that our different needs are catered for; the carers and staff at every level encourage us to do what we can but not feel obliged to 'go to everything'. I have appreciated the few outings I have been able attend this year and the enthusiasm and importance of the activities co-ordinators, who encourage those who can and want to go out, do so, whilst those who prefer for the most part, to stay in and enjoy the time to pursue their own interests.*

Sr Mary Hinde RSCJ

*The year has gone by quickly. Community has been peaceful, and I am grateful for all the care we receive. I love Ant (our black and white cat) who seems to equally love my bed! It gives me such pleasure to watch him relax on my bed during the day and he certainly helps to keep the mice away. I enjoyed and appreciated the different outings I have had in the summer.*

Sr Stella White RSCJ

### Berrymead

Since 2020, our members have been engaged in a process of reflection and discernment about our future needs in relation to community life and housing as we age. With support from professionals in the area, we developed a proposal to build eight individual apartments with communal space on the site of but separate from our care home in Roehampton. Construction of this development (called Berrymead) began during the report period and is due for completion in April 2026. A project team chaired by one of our Trustees working with our Operations Manager are working to oversee this project. As the building project nears completion, members of the community are preparing to move to Berrymead.



Burying Time Capsule at the Berrymead site

*Berrymead seems to be on the near horizon, with the new opportunities it promises for our lives as RSCJ.*

*Community Member – name withheld*

### Safeguarding

Along with other religious orders, the Society has continued to support the Roman Catholic Church's "One Church" approach to safeguarding children and adults at risk.

The Provincial and trustees continue to engage with the Religious Life Safeguarding Service (RLSS) and the CSSA (Catholic Safeguarding Standards Agency).

- Reports from the Safeguarding Lead to Trustees: three times per year. These reports offer updates on concerns raised, training and DBS status.
- A systemic approach to safeguarding is established. A dedicated staff member supports the safeguarding structure by distributing updates, monitors and coordinates DBS applications for sisters and liaises with the safeguarding lead when complete.
- 100% of office based lay staff have undertaken safeguarding training. 100% of care staff have completed safeguarding training. There is an induction system set up to catch new members of staff.
- 100% of Trustees have undertaken safeguarding training.
- Fortnightly meetings between Care Home Manager and Safeguarding lead.
- Monthly meetings between Executive Director and Safeguarding lead.

## **Report of the trustees Year to 30 June 2025**

- Safeguarding policies have been reviewed, updated, and will be presented for approval in Autumn 2025.
- Departmental meetings every three months between Executive Director, Care home Manager, Health Advisor and Safeguarding Lead established.
- Periodic community meetings at Duchesne House have Safeguarding as a standing item on the agenda.
- Training for community members via Zoom on issues related to Safeguarding.

### **Heritage and Legacy Planning**

The Society has been present in England since 1842. As our membership in England and Wales ages, Trustees are increasingly focussed on matters of heritage and legacy planning. We use the word heritage to celebrate that which we have inherited from the past, so that it can be enjoyed and shared in the future and preserved to pass on for future generations. Our heritage includes our tangible heritage of buildings, monuments and artefacts as well as the cultural and religious heritage of our traditions, beliefs, religious practices. It includes our contributions to the education of women and girls during our time in England.

Our Schools and College Network, funded by the Society, preserves and passes on our mission of Sacred Heart education.

Our archive preserves the intellectual property and artefacts of the Society and is open to scholars and others who wish to learn from our history.

During the report period we published books including a history of the Society in England and Wales and 'A Way of Seeing- Glimpses from an Unwritten Biography of Janet Stuart RSCJ'.

In 2024, we established a Heritage Planning Group. This group is tasked with the preservation of our built heritage including our burial grounds, our chapel and other historic buildings. It has a specific current focus on the feasibility of the development of a heritage space at the University of Roehampton where the charity owns historic buildings. Our aspiration is that such a centre would celebrate our heritage but also form part of our legacy in England. In Spring 2025, the group held a consultation event with partners to begin to imagine a heritage site and how it might best serve those in the community. The process of consultation with Trustees, community members and partners is ongoing at the time of writing.

### **Grant to the Centre for Catholic Studies at the University of Durham**

The Centre for Catholic Studies was formally established by Durham University in 2007 as the UK's first permanent centre devoted to world-class research, teaching, and public outreach in Catholic Theology. In October 2024, Trustees approved a grant of £1m to the Centre. This grant (payable over three years) will enable the centre to appoint a post-doctoral fellow, to support the Catholic Social Teaching Network and to fund the Janet Erskine Stuart Scholarship, a fund for teachers of Religious Education, who wish to undertake post-graduate studies in Theology.

This grant, awarded by Trustees towards the end of the life of the province of England and Wales forms part of the legacy of our former province of England and Wales and furthers the Society's mission.

### Apostolic Priorities

As members of the Society of the Sacred Heart, we organise the expression of our mission around four global Apostolic Priorities including the advancement of Education, Spirituality, Formation and Justice, Peace and the Integrity of creation. The next section of this report will describe our work in these areas and the public benefit derived from it.

### The advancement of Education

Since its foundation, education has been at the heart of the Society's expression of our mission. In England and Wales, our past work has included the establishment and running of schools at primary and post-primary level and establishing and running teacher training colleges, one of which is now a constituent college at the University of Roehampton.

Our Sisters continue to take active roles in the governance of the schools and college established by the Society. Table 2 sets out the current governance roles held by members of the Society. In addition to these formal roles, individual RSCJ take an active role in the day to day lives of the schools and support staff development and induction. We use our resources to support education projects within schools and universities, including running and funding a Sacred Heart Schools and College Network.

| Sister / Community Member | Sacred Heart High School, Hammersmith | Woldingham School | University of Roehampton Council | Digby Stuart College Liaison Group |
|---------------------------|---------------------------------------|-------------------|----------------------------------|------------------------------------|
| Catherine Lloyd           | Chair of Academy Trustees             | Member            |                                  |                                    |
| Lorraine Pratt            | Academy Trustee                       |                   |                                  |                                    |
| Margaret Wilson           | Academy Trustee                       |                   |                                  |                                    |
| Chris Edwards             | Academy Trustee                       |                   | Member                           | Member                             |
| Bernadette Porter         |                                       |                   |                                  | Chair                              |
| Jane Maltby               |                                       | Governor          |                                  |                                    |

Table 2

### Schools and College Network

The Schools and College Network of England and Wales consists of two primary schools, two secondary schools (one within the Trusteeship of the Society) and one independent school, and Digby Stuart College (part of Roehampton University).

The Network has two members of staff, one full-time and one part-time. The total number of school pupils supported by the Network is approximately 3,680 with a school staff total of over 500.

The main aim of the Network is to ensure that the mission and charism of the Society



School and College Network staff visit Duchesne House

is maintained in the schools and college. This is a pivotal role since the declining number of RSCJ in England and Wales has led to a reduced presence of our Sisters in the schools.

The promotion of Sacred Heart education takes place through the production of resources for students and staff, the hosting of conferences for students and staff and providing information and training for other stakeholders such as governors and parents.

This academic year has seen a number of significant milestones celebrated by the schools and college in the Network. These included the 50<sup>th</sup> anniversary of the Sacred Heart Goals of Education, the centenary of St Madeleine Sophie's Canonization and the launch of the new Central Europe and Islands Province.

#### 50<sup>th</sup> Anniversary of the Goals of Sacred Heart Education

The Sacred Heart Goals were developed and launched in the US in 1975. The English Network adopted the Goals in 2010. This academic year, schools have celebrated all five Goals with the production of short films and creative projects. The Network staff created leaflets for parents of pupils to support the development of the Goals at home.

The purpose of the Goals is to ensure that students leave schools with more than qualifications. In keeping with the mission and apostolic priorities of the Society of the Sacred Heart, students should develop:

- ◆ A personal and active faith in God;
- ◆ A deep respect for intellectual values;
- ◆ A social awareness that impels to action;
- ◆ A desire to build community; and
- ◆ Personal growth in an atmosphere of wise freedom.

#### Canonisation Centenary

In May, the Society marked one hundred years since St Madeleine Sophie's Canonisation. Schools celebrated with special Masses and a short film was made sharing the life of Sophie and her legacy today. By uploading this to YouTube, stakeholders from across the Network were able to access the film and learn more about the founder of the Society. The film has been successfully received with views from around the world.

#### Joint Projects with CEI Province Schools

The launch of the Central Europe and the Islands province in June has provided opportunities for further collaboration with schools across the additional seven countries that have joined together with England and Wales. Whilst there are no plans to amalgamate the three separate Schools Networks (England – Ireland, Scotland, Malta – Central Europe) the English Network Coordinator works closely with her counterparts. This academic year has seen two joint projects with engagement from schools across seven countries. A JPIC (Justice, Peace and Integrity of Creation) Postcard exchange saw students sharing school-based initiatives in these areas.

Over one hundred and fifty students across the new CEI province took part in an art competition based around the Sacred Heart Goals which saw winning entries from students aged 5 to 18. For educators across the three Schools Networks, an international gathering will take place in Joigny, France –

birthplace of St Madeleine Sophie Barat. This 3 day conference will be an opportunity for deepening the mission of Sacred Heart education in these schools and the development and implementation of further collaborative projects.

#### Support for transition of Senior Staff

A new Headteacher began work at Woldingham School in September 2024 which led to the launch of a Catholic Life Advisory Group at the school which the Network Coordinator has played a key role in, alongside supporting the Headteacher in her induction. The Network Coordinator has also supported Woldingham and Digby Stuart College in the recruitment of Chaplains this academic year. These pivotal roles in Sacred Heart education settings require professionals who are supportive of the mission and charism of the Society. The Network Office has continued to provide training to senior leadership teams and governing boards across our schools. RSCJ members of the community have also contributed through the provision of input for students.

#### Resources - digital & printed

This academic year has also seen further development of formation resources for all stakeholders across the Schools Network. This includes the design, production and distribution of over one thousand leaflets for parents new to Sacred Heart education and six hundred leaflets for Sacred Heart Educators. The digital resources are collated on a series of Padlets online which has led to significant increase in reach –eight hundred staff have accessed these over two thousand five hundred times. The Network Instagram account launched in Advent 2022 has grown to an online community of over two hundred and thirty, from sixteen countries with the most popular daily posts have reaching over one thousand accounts.

#### The University of Roehampton

The University of Roehampton is a collegiate, independent and not-for-profit university. It originated from its four founding Colleges, which are Digby Stuart (Catholic), Southlands (Methodist), Whitelands (Church of England) and Froebel (Secular). Digby Stuart was established and run by the Society as a teacher training college.

We retain our involvement with the University, appointing two members to the council and via the Digby Stuart Liaison Group. This group was established to help maintain and develop the relationship between the Society, the College, and the wider University community and to help the Society to understand how to go on enriching the community life of the college and the work of the chaplaincy in ways that reflect the values and ethos of the Society of the Sacred Heart. Further details of the Society and our work with Digby Stuart can be found in the Trustees report for our sister charity, Digby Stuart College.

During the report period, the Society used its resources to support our Apostolic priority in Education.

£10,000 was donated to Schools within the Schools Colleges Network under our Ministry Support Fund. This money provided support over one hundred families from 4 schools. Many of these families are living below the poverty line and the small grants which provide such basics as food vouchers and bedding provide a much needed and appreciated lifeline.

#### Sacred Heart Sanctuary Scholarship

In 2020, the Society donated £500,000 to the Sanctuary Scholarship at the University of Roehampton. The Sacred Heart Sanctuary Scholarship is designed to support those who might otherwise be unable to access higher education funding because of their immigration status. Funds are still disbursed via

the scholarship. An additional student was supported during the report period bringing to eleven the total number of students supported by the Scholarship.

*I would like to begin by expressing my heartfelt gratitude for the three-year scholarship from the Sacred Heart Sanctuary. Thanks to your generous support, I am able to fully dedicate myself to studying such a creative and exciting field as the film industry. I have many plans and ideas, and I truly appreciate the opportunity to share my progress with you.*

*Sanctuary Scholar – Name withheld*

#### RUSH Scholarship

This scholarship, also funded by the Society in 2018 and is still disbursing funds, supports academics at risk of persecution in their homelands. During the report period, an academic from Ukraine received financial support enabling her to settle in the UK.

*I am tremendously grateful for this wonderful opportunity to join your staff and contribute to the life of the university. ....I cannot fully express my gratitude to both the programme and the University of Roehampton for their support during this difficult period. I hope they can continue their noble work of helping at-risk researchers worldwide.*

*RUSH Scholar -Name withheld*

#### **Spirituality and the advancement of the Roman Catholic religion**

Since its foundation in 1800 the “end and mission” of the Society of the Sacred Heart has been to make known the love of God, and all members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying Gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

Some of our members carry out their ministries in specifically Roman Catholic contexts, but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charity.

Our members carry out their work in a variety of interlinked ways including spiritual ministry, chaplaincy and parish ministry and the promotion of ecumenical and interfaith dialogue.

#### Spiritual Ministry

Six province members engage in ministry as spiritual and retreat directors. This work takes place in a variety of contexts with some working from home and others in ecumenical contexts and retreat centres.

Sr Lorraine Pratt specialises in teaching dance meditation and in supervising and training others doing similar work. Alongside monthly workshops in London, this year Sr Lorraine led workshops in Germany, Spain and Hungary.

Sr Steph Romaine holds a caseload as a Spiritual Director and leads retreats for students and parishioners in Durham and Sunderland. Another focus of Sr Steph’s work is at the Minsteracres Retreat Centre where she offers supervision and training workshops with the Bereavement Team.

## Report of the trustees Year to 30 June 2025

*I am a Spiritual Director and accompany people one to one on their spiritual journey. I also train Spiritual Directors as part of a Team working from a Centre in Durham. We offer a 2 year training and formation course to those discerning a call to the ministry of Spiritual Direction. I am also a trained Supervisor and hold a regular group as well as offering one to one supervision. In the Diocese of Hexham and Newcastle I hold the role of Diocesan Lead for Spiritual Accompaniment and enjoy gathering a group of 28 Accompaniers several times a year for ongoing training, formation and reflection. I am the 'gatekeeper' for those seeking Spiritual Accompaniment and manage the referrals and process of people beginning a Spiritual Accompaniment journey. I lead short retreats and days of reflection as requested by a variety of different groups. I also play a role in the spiritual formation of our Diocesan Youth Ministry Team based at the Youth Village who work with thousands of young people across the Diocese each year. It is a rewarding and life-giving ministry for me and rooted in our charism and spirituality.*

Sr Sheila McNamara RSCJ

### Llannerchwen Retreat Centre

Sr Clare Balfour and Sr Teresa Ryden (from early 2025) are responsible for running the Society's spirituality retreat centre at Llannerchwen, Brecon in Wales. During the report period, the centre hosted guests from a variety of faiths.



Poustinia at Llannerchwen

In June 2024 the Provincial Team joined with external experts to reflect on emerging needs in spirituality and how Llannerchwen might respond to those needs. Having agreed to accept small groups for days of reflection and group discernment, work has been ongoing during the report period to make the necessary building changes. These included the building of a new poustinia or reflective space. The centre also now receives groups engaged in the practice of Ecological Listening.

### Chaplaincy ministry at Digby Stuart College, Roehampton University

The Society supports the Chaplaincy ministry at Digby Stuart College in a variety of ways. These are detailed in the report of our sister charity, Digby Stuart College.

### Parish Ministry

All sisters are parishioners in their local Catholic churches and contribute to the life of these faith communities in many ways. Some of our Sisters participate in faith sharing groups, as readers and eucharistic ministers.

*I am part of the Spirituality Group in the Parish and as part of Holy Year we decided to have a day when the Church was open for prayer. I set up Prayer corners based on the 'I AM' sayings in the Fourth Gospel.*

Sr Lorraine Pratt RSCJ

## **Formation**

We use the term formation to encompass the fostering of spiritual, human and apostolic life at every level. This includes the initial and ongoing formation of our Sisters but also the formation of our lay partners for mission and the transmission and sustainability of our charism.

Whilst we have had no new vocations or sisters in initial formation recently, we have been engaged in a range of work contributing to the formation of our Sisters and partners in mission.

As part of our contribution to the international Society, we regularly host Sisters from other areas of the world wishing to learn English or undertake other developmental opportunities. During the report period, we were pleased to host visiting Sisters from Spain, Argentina, and Hungary. In the past year, we have designated one of our properties as a community to host visiting Sisters.

Sr Catherine Lloyd is engaged in formation work with a range of other congregations.

The Society runs periodic Formation to Mission sessions for lay staff including one during the report period.



Sister Jane Maltby with visiting RSCJ from Spain and Argentina

## **The Relief of Poverty**

The Society's commitment to the poor and the marginalised and to justice, peace, and the integrity of creation, permeates our lives and choices as individuals, local communities and as a province community. Much of our commitment to this aim is fulfilled through individual or local community involvement with a specific charity or project.

*As a Development Worker for Caritas Westminster, I work primarily to support the 61 parishes, plus schools, in the West Area of the Diocese of Westminster in their social action. This can include food banks, homeless outreach, environmental initiatives, seniors' clubs, warm spaces, or a community effort to support a local project. Working with parish priests, pastoral workers, key volunteers and members of the St Vincent de Paul Society, I might advise or help with recruiting and training volunteers, fundraising, networking, building capacity and knowledge, and ensuring the project is run safely and is sustainable. This means a lot of visiting and helping out at projects, and building relationships, as well as representing the Diocese at meetings with other agencies.*

*I also lead in the promotion and running of our Catholic Social Teaching (CST) programmes, accompanying parishes during and after Love in Action, and working with groups of Caritas Ambassadors in our schools. Both programmes entail learning about the principles of CST, and doing a local needs analysis, in order to then discern how the calls of CST can be put into action for the benefit of the local area; both programmes enable people to grow in how they understand and live their Faith.*

Sr Silvana Dallanegra RSCJ

## Report of the trustees Year to 30 June 2025

### Charitable Giving

During the year, the Society donated a total of £211,210 (2024 - £174,450) through our Missionary Support Fund (MSF) and grants from our Provincial Team. Organisations receiving grants and donations worked in areas such as refugee and migrant support, homelessness, family support and Catholic parishes. Organisations supported ranged from large international charities like CAFOD to local foodbanks in Hammersmith and Newcastle. Individual Sisters in England and Wales can nominate for support organisations with whom they have long standing connections. These bids for funding are then considered by a panel of Sisters and awards are made.

Reports from grantees are collected and analysed each year. They demonstrate the impact of donations for the beneficiary groups of grantee organisations.

*Through your grant of £2,500 towards our Rainbows Bereavement Support Programme we have delivered training in schools to equip staff with the skills to facilitate support groups for pupils who have experienced a significant loss in their lives. These groups have proved extremely beneficial, helping children feel less alone with their grief and develop greater confidence and resilience. One teacher commented: "One Year 2 child had faced loss around a very bad break up of her parents ... She was very wobbly each day when she came to school, having to be taken off Mum and required significant levels of pastoral support. Gradually after we began our Rainbows sessions she went from being the quietest member of the group to the chatty organised one... now she rarely comes into school looking sad or tearful, she enters through the school gates with a smile and is back to working well in class. She has become a happier, more content child."*

Catholic Children's Society

*The funding was used to fund school, college and nursey visits to Phoenix Farm in White City. Thanks to the funding received we were able to say yes to schools who asked to bring children to the farm. We ran sessions for nurseries and primary schools where the children can learn where their food comes from and how to grow it.*

Hammersmith Community Gardens Association

In addition to the Ministry Support Fund, this year, the Provincial team made "one off" emergency donations to those experiencing great need. These have included charities working with victims of disaster and contributions to special appeals of the international Society.

*The two humanitarian Appeal donations have been spent on delivering urgent live-saving relief, respectively in Sudan and in the Middle East (Gaza and Lebanon). The donation to CAFOD has been spent on CAFOD's core programming, namely a critical resilience/education-focused project in the Democratic Republic of the Congo (DRC): Protecting children and young girls at risk of abuse by securing school access, fees and resources.*

CAFOD

### In Kind Giving

Aside from donations, the Society offers more sustained support to some organisations. Since 2019, the Society has leased a large west London property at a peppercorn rent to the Medaille Trust, an organisation supporting trafficked women.

Sr Jane Maltby is a longstanding supporter and current Chair of Trustees at Medaille.

Conference of Religious

The Conference of Religious in England and Wales (CoR) is a registered charity and representative body for leaders in religious life. The Society makes a significant contribution to the work of CoR. During the report period, Sr Jane Maltby worked with CoR on a range of projects.

*In working on the Executive of the Conference of Religious (CoR), and specifically heading up the Collaboration Committee, I was involved in the organisation of five workshops on different topics related to Governance, Organisation, Finance, Legacy planning etc. that religious congregations are needing help and support with at the present time. I also accompanied three congregational leadership teams in planning, facilitating and following up their province meetings.*

Sr Jane Maltby RSCJ

Sr Catherine Lloyd contributed to a CoR workshop on Governance and organisation and working with lay colleagues.

**Our Plans for 2025/206**

- As we begin life in our new Province, we will build community, common purpose to advance our Apostolic Priorities and structures to enable us to work effectively and collectively towards our mission. At the time of writing, 10 community members and 4 of our lay staff are involved in groups and tasks to help in the building of the province of Central Europe and the Islands. This work will continue through the coming year.
- The support of our Sisters in their lives and mission remains at the heart of our work. This is especially important as our community ages. Fourteen of our elderly sisters live at our care home, Duchesne House. In the coming year, we will commission an independent review of the care offered there and make any recommended improvements.
- The building of our Berrymead flats is a key strand of our planning so that our Sisters are enabled to continue to live active lives in a space that offers both individual space and aspects of communal living. In the coming year, we will complete the building project and begin the process of building community at Berrymead as our Sisters move to their flats.
- Last year, we reviewed financial governance within our CIO, discerning the need for a Finance Sub-Committee, comprising community members and lay experts. At the time of writing we have begun the process of recruitment to this group, with the view to the group becoming operational in early 2026.
- In 2024/5, we established a Heritage Planning Group tasked with the preservation of our built heritage including our burial grounds, our chapel and other historic buildings as well as our archive. In the coming year, we will continue our visioning and feasibility work on the development of a heritage space at the University of Roehampton where the charity owns historic buildings. We also plan to begin a major restructuring of our archive.
- Our Trustees will work with our safeguarding lead and our community to maintain and improve our safeguarding practice and processes so as to ensure the safety of all who are in contact with the Society in England and Wales.

## **Relevant policies**

### ***Investment policy***

The charity has a portfolio of listed investments which had a value of £30,716,200 at 30 June 2025, along with short-term cash investments of £5,357,111. There are no restrictions on the charity's power to invest.

The listed investments are managed by CCLA Investment Management Limited, which operates within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees considers income requirements, the risk profile and, in respect to listed investments, the investment manager's views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five-year period. The investment policy requires the investment manager to take account of the ethical, social, and environmental concerns of the trustees as expressed in the policy.

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2024-2025 has been met.

The performance of the charity's listed investments has deteriorated compared to last year with the portfolio giving a capital loss of 4.13% (2024 – gain 9.13%). The income yield for the year was 3.40% (2024 – 3.65%).

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent, and another property that is leased to the Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. These represent properties which are not held specifically to make a financial return and directly further the charitable purposes of the charity. As a result, these properties are considered to be programme related investments and have been included on the balance sheet at deemed cost, less any provision for diminution in value, of £1,050,000 and £600,000 respectively.

The trustees are satisfied that the charity's investment objectives are being met.

### ***Donations and grant making policy***

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

During the year £1,211,210 (2024 – £242,271) was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

**Relevant policies** (continued)

***Fundraising policy***

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received by the charity it would be handled by a senior member of staff or trustee.

**Financial review**

The Province now has 37 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity, any earnings have been covenanted to the charity. As the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. 95% of the Province members are now at retirement age. The CIO will rely increasingly on investment income to supplement the decline in salary and pension income. The CIO must ensure that investment income will guarantee the continuance of ministries, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment “to radiate the very love of the Heart of Christ through love and service” (Society’s Constitutions Para 7).

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year’s results can be found on page 30 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £2,398,167 (2024 – £2,273,092). This included surpluses on the disposal of tangible fixed assets of £199,670 (2024 – £4,750).

Expenditure totalled £4,386,310 for the year (2024 – 3,295,073), of which £1,302,063 (2024 – £329,125) related to donations made to other charities (including the annual contribution to the Generalate).

Net expenditure for the year amounted to £1,988,143 (2024 – net expenditure of £1,021,981) before net losses on listed investments of £1,432,095 (2024 – net gains of £3,091,606) and revaluation gains on investment properties of £1,303,211, which gave rise to a net decrease in funds of £2,117,028 (2024 – a net increase in funds of £2,069,625).

**Financial review** (continued)

***Reserves policy***

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work and the on-going commitment to support members of the Society, the level of free reserves should be approximately equal to one year's expenditure on unrestricted funds.

The trustees are of the opinion that this provides sufficient flexibility:

- to cover temporary shortfalls in income due to timing differences in income flows.
- to ensure adequate working capital for core costs
- to allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

***Financial position***

The balance sheet shows total funds of £50,099,127 (2024 – £52,216,155) and of this, £10,173,965 (2024 – £8,033,019) represents the tangible fixed assets used by the Sisters. The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day-to-day work of the charity. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Similarly, those investments classified as programme related investments are represented by a separate designated fund – the programme related investments fund. These investments comprise land and buildings, which are owned by the charity but used by other charities with charitable objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations. During the year, the Rodway Road property was reclassified from fixed assets to investment properties following a change in its use. This updated treatment better reflects the way the property is now held by the charity. As part of the reclassification, the property was revalued based on an independent professional valuation obtained from a qualified surveyor which assessed the fair value of the property at £1,450,000.

An amount of £14,312,248 (2024 – £14,437,150) had been designated by the trustees to provide for the Sisters in their retirement. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. There is also a designated fund of £1,692,800 (2024 – £1,765,772), designated to care for the elderly religious in Malta.

## **Report of the trustees** Year to 30 June 2025

A future strategy fund of £10,744,174 (2024 – £15,000,000) has been established and consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

The building maintenance fund of £5,608,945 (2024 – £4,211,263) has been set aside to support an action plan for the charity's properties, several of which are in need of substantial maintenance work.

The ministry support fund will be used to support charitable work and at 30 June 2025 amounted to £500,000 (2024 – £500,000), whilst the society restructuring fund of £2,500,000 (2024 – £2,500,000) will be used to support the international work of the Society. The Barat House Hostel fund of £114,324 (2024 – £100,492) represents the net assets of Barat House and has been designated for use by the House only.

Funds restricted to specific purposes amounted to £Nil as at 30 June 2025 (2024 – £5,000).

Funds which are available to support the work of the Sisters in the future are shown on the balance sheet as general funds and therefore amount to £2,802,671 (2024 – £4,013,459).

The trustees are aware that this level of reserves meets the amount required by the above policy but are also aware this has been influenced by stock market volatility. They will continue to monitor reserve levels in the light of market developments.

### ***The charity's assets***

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

## **Governance, structure and management**

### ***Trustees***

On June 26<sup>th</sup> 2025, Sister Catherine Lloyd concluded her second three-year mandate as Provincial Superior. She remains a Trustee of the CIO.

Sr Margaret Wilson assumed the role as Provincial Superior of the Province of Central Europe and the Islands and Chair of Trustees on June 27<sup>th</sup>.

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. The trustees are selected from the members of the area of England and Wales based on the skills and knowledge they can bring to the trustee role. All have previous experience of being a trustee and have received information and training on the role and responsibilities of trustees. At any one time there must be a minimum of six trustees but not more than twelve trustees.

**Sister Christine Edwards**

Chris is a retired teacher, youth worker and School Chaplain. After a prolonged association with the University of Roehampton, Chris served as one of the Society's representatives on the Council of the University of Roehampton until June 2025.



**Sister Catherine Lloyd**

Cath is a former teacher, Head of Department and School Chaplain. A trained spiritual advisor, facilitator and organisational consultant, she has worked within formation, for the Conference of Religious of England and Wales and in international leadership for the Society's General Council. She was Provincial between 2019 and June 2025.

**Sister Sheila McNamara**

Following a career as a teacher, Sheila worked as Diocesan Primary Schools Adviser first in the Archdioceses of Westminster and Hexham and Newcastle for seven years. Sheila's present ministry is in spirituality, working part time in an ecumenical Spirituality Centre in Durham. She was a member of the Provincial Team until June 2025.



**Sister Bernadette Porter**

Following a school teaching career, Bernie joined the Education Department at Roehampton Institute and subsequently worked as College Principal of Digby Stuart, Pro-Rector and latterly, Vice Chancellor of the University. Bernie served as Treasurer General of the International Society. She has held several Trustee roles in educational settings.

**Sister Lorraine Pratt**

Lorraine spent most of her life working in education as Head of Department, Diocesan Youth Officer, school chaplain; and then as Chair of Governors at the Sacred Heart School in Hammersmith, living with student communities in Oxford and London. She works with adults teaching dance meditation as a medium for both enjoyment and spiritual growth.



**Sister Stephanie Romaine**

Following a teaching career, Steph worked in mediation, as a psychotherapist, psychotherapy supervisor and currently works as a spiritual director. Within the Society, Steph has worked in leadership, formation and in running the Society's retreat centre.

**Sister Marianne Tavares**

A trained nurse and complementary therapist, Marianne has worked in hospitals, in the community and in palliative care settings in the UK and Canada. A former member of the Provincial Team, Marianne has pastoral responsibilities in Duchesne House.



**Sister Margaret Wilson**

Margaret's career has been in education as a teacher and head of the RE Department. A trained spiritual advisor, Margaret has worked in varied settings. Margaret has worked in formation and in Provincial administration in the Society. She assumed the role of Provincial Superior for Central Europe and the Islands on June 27th 2025.

### **Trustees' responsibilities statement**

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).

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

- ◆ select suitable accounting policies and then apply them consistently.
- ◆ observe the methods and principles in 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 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

### **Management**

The trustees have the final responsibility for the policies, activities, and assets of the charity. They meet annually to review developments regarding the charity and to make significant decisions. The day-to-day management of the charity's activities and the implementation of policies are delegated to:

- ◆ the trustees who, with the Provincial Superior, form the Provincial Council; and
- ◆ the Finance Advisory Committee; and
- ◆ the appropriate senior staff.

### **Key management personnel**

The trustees consider that they, together with the Executive Director, Operations Manager and the Care Manager of Duchesne House comprised the key management of the charity during the year in charge of directing and controlling, running and operating the charity on a day-to-day basis.

**Key management personnel** (continued)

All trustees are members of the Society and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of key staff is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives.

**Connected charity**

Details of the connected charity are given in note 21 to the attached accounts.

**Risk management**

The Trustees have regard to the risks facing the CIO through their risk management policy and risk register. The latter was approved by Trustees in Feb 2024 and will be reviewed annually by them.

Through the process of development of a risk register, Trustees have identified and taken measures to mitigate risk. In addition, The Investment and Long-term Assets and the Finance Advisory Committee also discuss risk and its mitigation on a regular basis. Some key risks and mitigating actions are set out below.

***Age profile of the members and over-commitment of a few in administration***

An analysis of the age profile of members of the Society reveals a median age of 82 on June 30<sup>th</sup>, 2025. Trustees are aware that there is both a moral and legal obligation to care for the older sisters, none of whom have resources of their own as all earnings, pensions and other income have been donated to the charity.

Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care in the years ahead by setting aside assets in a designated fund, based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

The age profile of the members is also relevant to the identification of those sisters who are both willing and able to serve as trustees of the charity in the future. This matter has been given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisory group that might be consulted by the trustees.

***Safeguarding***

Members of the Society work with children and adults, including older people. Trustees recognise the importance of ensuring the protection and safety of all those that the charity serves. Sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

**Risk management** (continued)

***Safeguarding*** (continued)

All staff are also required to obtain clearance from the Disclosure and Barring Service and undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The province is currently aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative. Along with other religious orders the Society is committed to the "one church" approach to safeguarding.

***Loss of key staff***

The Society recognises that lay staff are a key resource and Trustees work to ensure that employment practices reflect current best practice and fulfils its duty of care to employees. The charity is reliant on a small number of key staff. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives. Wherever possible, the charity will aim to enable staff to develop their skills and knowledge to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity.

***Health and safety***

Trustees review Health and Safety policy and process on a regular basis so as to ensure the welfare of sisters, lay staff and all those using the Society's facilities.

Approved by and signed on the behalf of the trustees:

A handwritten signature in dark ink, appearing to read 'Margaret Wilson RSCJ', with a stylized flourish at the end.

Sister Margaret Wilson RSCJ

Trustee

Approved by the trustees on: 20 February 2026

**Independent auditor's report on the financial statements to the trustees of the Society of the Sacred Heart CIO**

**Opinion**

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the 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 30 June 2025 and of its incoming resources and application of resources 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 other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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)

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 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 accounts 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.

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

In the light of the knowledge and understanding of the charity 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 Charities (Accounts and Reports) Regulations 2008 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 set out on page 23, 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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:

- ◆ 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011; and
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Performed substantive testing on expenditure; and
- ◆ Tested journal entries to identify unusual transactions.

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

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Audit LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 20 February 2026

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

## Statement of financial activities Year to 30 June 2025

|                                                           | Notes | Total funds        |             |
|-----------------------------------------------------------|-------|--------------------|-------------|
|                                                           |       | 2025<br>£          | 2024<br>£   |
| <b>Income from:</b>                                       |       |                    |             |
| Donations and legacies                                    | 1     | <b>843,868</b>     | 851,526     |
| Investments and interest receivable                       | 2     | <b>1,234,551</b>   | 1,234,965   |
| Charitable activities                                     | 3     | <b>34,065</b>      | 53,192      |
| Other sources:                                            |       |                    |             |
| . Surplus on disposal of tangible fixed assets            | 4     | <b>199,670</b>     | 4,750       |
| . Miscellaneous sources                                   | 5     | <b>86,013</b>      | 128,659     |
| <b>Total income</b>                                       |       | <b>2,398,167</b>   | 2,273,092   |
| <b>Expenditure on:</b>                                    |       |                    |             |
| Charitable activities                                     |       |                    |             |
| . Donations payable                                       | 6     | <b>1,302,063</b>   | 329,125     |
| . Support of members of the Society and their ministry    | 7     | <b>3,074,783</b>   | 2,961,968   |
| . Provision of retreat accommodation                      |       | <b>9,464</b>       | 3,980       |
| <b>Total expenditure</b>                                  |       | <b>4,386,310</b>   | 3,295,073   |
| <b>Net expenditure before net gains on investments</b>    | 9     | <b>(1,988,143)</b> | (1,021,981) |
| Net (losses)/gains on investments                         | 13    | <b>(1,432,096)</b> | 3,091,606   |
| Net gains on investment properties                        | 13    | <b>1,303,211</b>   | —           |
| <b>Net (expenditure)/income and net movement in funds</b> |       | <b>(2,117,028)</b> | 2,069,625   |
| <b>Reconciliation of funds:</b>                           |       |                    |             |
| Balances brought forward at 1 July 2024                   |       | <b>52,216,155</b>  | 50,146,530  |
| Balances carried forward at 30 June 2025                  |       | <b>50,099,127</b>  | 52,216,155  |

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

The statement of financial activities above includes £5,000 of restricted expenditure. Of the opening funds, £5,000 is attributable to restricted funds, as disclosed in note 16 of the accounts.

## Balance sheet 30 June 2025

|                                                                | Notes | 2025<br>£        | 2025<br>£         | 2024<br>£        | 2024<br>£         |
|----------------------------------------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>Fixed assets</b>                                            |       |                  |                   |                  |                   |
| Tangible assets                                                | 12    |                  | 10,173,965        |                  | 8,033,019         |
| Investments                                                    | 13    |                  | 33,816,206        |                  | 38,598,301        |
|                                                                |       |                  | <b>43,990,171</b> |                  | <b>46,631,320</b> |
| <b>Current assets</b>                                          |       |                  |                   |                  |                   |
| Debtors                                                        | 14    | 281,816          |                   | 807,089          |                   |
| Cash at bank and in hand                                       |       | 7,252,193        |                   | 4,965,650        |                   |
|                                                                |       | <b>7,534,009</b> |                   | <b>5,772,739</b> |                   |
| <b>Creditors:</b> amounts falling due within one year          | 15    | (758,386)        |                   | (187,904)        |                   |
| <b>Net current assets</b>                                      |       |                  | <b>6,775,623</b>  |                  | <b>5,584,835</b>  |
| <b>Creditors:</b> amounts falling due after more than one year | 15    |                  | (666,667)         |                  | —                 |
| <b>Total net assets</b>                                        |       |                  | <b>50,099,127</b> |                  | <b>52,216,155</b> |
| <b>The funds of the charity:</b>                               |       |                  |                   |                  |                   |
| Restricted income funds                                        | 16    |                  | —                 |                  | 5,000             |
| Unrestricted income funds                                      |       |                  |                   |                  |                   |
| . General fund                                                 |       |                  | 2,802,671         |                  | 4,013,459         |
| . Tangible fixed assets fund                                   | 17    |                  | 10,173,965        |                  | 8,033,019         |
| . Programme related investments fund                           | 18    |                  | 1,650,000         |                  | 1,650,000         |
| . Designated funds                                             | 19    |                  | 35,472,491        |                  | 38,514,677        |
|                                                                |       |                  | <b>50,099,127</b> |                  | <b>52,216,155</b> |

Approved by the trustees and signed  
on their behalf by:



Sister Margaret Wilson RSCJ

Trustee

Approved by the trustees on: 20 February 2026

## Statement of cash flows Year to 30 June 2025

|                                                         | Notes | 2025<br>£          | 2024<br>£   |
|---------------------------------------------------------|-------|--------------------|-------------|
| <b>Cash flows from operating activities:</b>            |       |                    |             |
| Net cash used in operating activities                   | A     | <b>(2,146,845)</b> | (2,420,393) |
| <b>Cash flows from investing activities:</b>            |       |                    |             |
| Investment income received                              |       | <b>1,261,381</b>   | 1,234,965   |
| Proceeds from the disposal of tangible fixed assets     |       | <b>285,972</b>     | 4,750       |
| Proceeds from disposal of listed investments            |       | <b>4,800,000</b>   | —           |
| Proceeds from disposal of programme related investments |       | —                  | 247,071     |
| Purchase of tangible fixed assets                       |       | <b>(1,891,685)</b> | (1,045,437) |
| Purchase of investments                                 |       | <b>(22,280)</b>    | —           |
| Reclassification of investments to Cash                 |       | —                  | 4,348,371   |
| <b>Net cash provided by investing activities</b>        |       | <b>4,433,388</b>   | 4,789,720   |
| <b>Change in cash and cash equivalents in the year</b>  |       | <b>2,286,543</b>   | 2,369,327   |
| <b>Cash and cash equivalents at 1 July 2024</b>         | B     | <b>4,965,650</b>   | 2,596,323   |
| <b>Cash and cash equivalents at 30 June 2025</b>        |       | <b>7,252,193</b>   | 4,965,650   |

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

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

|                                                                             | 2025<br>£          | 2024<br>£   |
|-----------------------------------------------------------------------------|--------------------|-------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>(2,117,028)</b> | 2,069,625   |
| <b>Adjustments for:</b>                                                     |                    |             |
| Depreciation charge                                                         | <b>292,990</b>     | 295,798     |
| Losses/(gains) on listed investments                                        | <b>1,432,095</b>   | (3,091,606) |
| Losses/(gains) on investment properties                                     | <b>(1,303,211)</b> | —           |
| Investment income and interest receivable                                   | <b>(1,234,551)</b> | (1,234,965) |
| Surplus on disposal of tangible fixed assets                                | <b>(199,670)</b>   | (4,750)     |
| Decrease (increase) in debtors                                              | <b>13,020</b>      | (440,264)   |
| Increase (decrease) in creditors                                            | <b>969,510</b>     | (14,231)    |
| <b>Net cash used in operating activities</b>                                | <b>(2,146,845)</b> | (2,420,393) |

#### B Analysis of cash and cash equivalents

|                          | 2025<br>£        | 2024<br>£ |
|--------------------------|------------------|-----------|
| Cash at bank and in hand | <b>7,252,193</b> | 4,965,650 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## **Principal accounting policies** Year to 30 June 2025

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

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), 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 and management to make significant judgements and estimates.

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ estimating the fair value of investment property at the year end; and
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives.

As set out in these accounting policies under “assessment of going concern”, the trustees have considered the impact of recent economic factors and the wider financial pressures affecting the charity, including rising costs and the need to manage resources responsibly. Having reviewed these matters, the trustees have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **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 one year from the date of approval of these accounts.

**Assessment of going concern** (continued)

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards 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 markets (please see the risk management sections of the trustees' report for more information).

**Income**

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

Income comprises donations, legacies, investment income, interest receivable, hostel income, other rents receivable from charitable activities and other income including the surplus on the disposal of tangible fixed assets.

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 and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

Dividends are 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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

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**

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. All expenditure is stated inclusive of irrecoverable VAT.

**Expenditure** (continued)

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

♦ ***Donations payable***

Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.

♦ ***The support of members of the Society and their ministry***

Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.

♦ ***Provision of retreat accommodation***

Expenditure on Barat House which provides accommodation for students.

**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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

**Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

♦ ***Freehold land and buildings***

Freehold land and buildings are shown on the balance sheet at cost, deemed cost or, where donated, at their value at the date of donation.

◇ ***Residential***

Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost or deemed 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 different from their book value.

**Tangible fixed assets** (continued)

♦ **Freehold land and buildings** (continued)

◇ *Purpose built residential care home*

Other buildings comprising a residential care home for elderly Sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.

♦ **Leasehold property**

Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.

♦ **Building improvements**

Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.

♦ **Fixtures and fittings**

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four year period on a straight line basis.

♦ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Tangible fixed assets are impaired when the recoverable amount is determined to be less than the carrying amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

**Heritage Assets**

The charity has title to a number of unique drawings, religious artefacts, and ephemera which form part of the heritage of the Society of the Sacred Heart and the nation generally and which the charity intends to preserve for the enjoyment of future generations.

These assets are held principally for the preservation for their contribution to knowledge and culture. As such, the assets meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. It is not possible to place any meaningful valuation on the assets for the purposes of these financial statements given the one-off nature of certain items and the limited active market for others.

**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.

Cash held with investment managers, but intended for operational use, including in order to fund asset construction work which will be taking place within one year of the date of signing of the accounts, has been treated as cash at bank and in hand.

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

## **Principal accounting policies** Year to 30 June 2025

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.

Properties held for investment purposes are included in these accounts at their fair value which is deemed to be their open market value.

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 are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value given that the properties are rented at a non-commercial rate, not principally for a monetary return on investment.

### **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. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

### **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.

## **Principal accounting policies** Year to 30 June 2025

### **Fund accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

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

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

### **Services provided by members of the Society**

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

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme. The expense is allocated to the support of members of the Society and their ministry.

### **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.

**1 Income from: Donations and legacies**

|                                                                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2025 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2024 funds<br>£ |
|-------------------------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid | 843,668                 | —                     | 843,668               | 839,122                 | —                     | 839,122               |
| Other donations                                                                           | 200                     | —                     | 200                   | —                       | 12,404                | 12,404                |
|                                                                                           | <b>843,868</b>          | <b>—</b>              | <b>843,868</b>        | <b>839,122</b>          | <b>12,404</b>         | <b>851,526</b>        |

**2 Income from: Investments and interest receivable**

|                                | Unrestricted funds |                  |
|--------------------------------|--------------------|------------------|
|                                | 2025<br>£          | 2024<br>£        |
| Income from listed investments |                    |                  |
| . UK Common investment funds   | 1,059,394          | 1,086,770        |
| Bank interest                  | 118,863            | 148,195          |
| Rental income receivable       | 56,294             | —                |
|                                | <b>1,234,551</b>   | <b>1,234,965</b> |

**3 Income from: Charitable activities**

|                                | Unrestricted funds |               |
|--------------------------------|--------------------|---------------|
|                                | 2025<br>£          | 2024<br>£     |
| Hostel income                  | 15,076             | 34,894        |
| Retreat centre income          | 18,989             | 16,498        |
| Other rental income receivable | —                  | 1,800         |
|                                | <b>34,065</b>      | <b>53,192</b> |

**4 Income from: Surplus on disposal of tangible fixed assets**

|                                                  | Unrestricted funds |              |
|--------------------------------------------------|--------------------|--------------|
|                                                  | 2025<br>£          | 2024<br>£    |
| Surplus on the disposal of land and buildings    | 192,455            | —            |
| Surplus on the disposal of fixtures and fittings | 545                | —            |
| Surplus on the disposal of motor vehicles        | 6,670              | 4,750        |
|                                                  | <b>199,670</b>     | <b>4,750</b> |

**5 Income from: Miscellaneous sources**

|                                         | Unrestricted funds |                |
|-----------------------------------------|--------------------|----------------|
|                                         | 2025<br>£          | 2024<br>£      |
| Investment manager fee rebate (note 13) | 74,201             | 68,827         |
| Other                                   | 11,812             | 59,832         |
|                                         | <b>86,013</b>      | <b>128,659</b> |

**6 Expenditure on: Donations payable**

The charity makes donations to institutions in accordance with the donations policy set out in the report of the trustees. No grants were payable to individuals during the year. The donations payable during the year were as follows:

|                                                                    | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2025 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2024 funds<br>£ |
|--------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Contributions to the Generalate of the Society of the Sacred Heart | 90,853                  | —                     | 90,853                | 86,854                  | —                     | 86,854                |
| Donations to institutions (see overleaf)                           | 1,206,210               | 5,000                 | 1,211,210             | 229,867                 | 12,404                | 242,271               |
|                                                                    | <b>1,297,063</b>        | <b>5,000</b>          | <b>1,302,063</b>      | <b>316,721</b>          | <b>12,404</b>         | <b>329,125</b>        |

Donations paid to institutions during the year comprised the following:

| Recipient                                       | 2025 funds<br>£  | 2024<br>£      |
|-------------------------------------------------|------------------|----------------|
| Acton Homeless Concern                          | 5,000            | —              |
| Aid to the Church in Need                       | —                | 5,000          |
| Bishop Bewick Catholic Education Trust          | —                | 5,000          |
| CAFOD                                           | 25,000           | 15,000         |
| Cardinal Hume Centre                            | 10,000           | 10,000         |
| Care4Calais                                     | 5,000            | 4,000          |
| Catholic Children's Society                     | 12,500           | 11,500         |
| Community Hub, Our Lady of Fatima, White Chapel | —                | 5,000          |
| Crisis                                          | —                | 1,000          |
| Dean City Farm                                  | 4,000            | —              |
| Durham University Centre for Catholic Studies   | 1,000,000        | —              |
| Ebbw Vale Community Pantry                      | 10,000           | 11,500         |
| The Glass Door                                  | 7,000            | 6,000          |
| Hammersmith & Fulham Foodbank                   | 7,000            | 4,000          |
| Hope for Southall                               | 7,000            | —              |
| Jesuit Refugee Service                          | —                | 5,000          |
| Katherine Low Settlement                        | 3,000            | —              |
| Llysfas Ignatian Spirituality                   | 2,000            | 3,200          |
| London Irish Centre Charity                     | 2,500            | 2,500          |
| Marys Meals                                     | —                | 2,500          |
| The Medaille Trust                              | —                | 52,000         |
| Minsteracres Retreat Centre                     | 10,500           | 5,500          |
| Missio                                          | 5,000            | 5,000          |
| Newcastle Foodbank                              | 5,000            | —              |
| Newham Community Project                        | 10,000           | —              |
| Newman Catholic College                         | —                | 2,500          |
| North London Hospital                           | 500              | —              |
| PACT                                            | 10,000           | 10,000         |
| The Passage                                     | 10,000           | 10,000         |
| Pax Christi                                     | —                | 5,000          |
| The Peoples' Kitchen                            | —                | 1,400          |
| Red Cross                                       | —                | 1,000          |
| Refugee and Migrant Project (RAMP)              | —                | 9,000          |
| Sacred Heart High School Fenham                 | 5,000            | —              |
| Sacred Heart High School Hammersmith            | 4,000            | 2,000          |
| Sacred Heart School Roehampton                  | 2,000            | 2,000          |
| Sacred Heart School Uganda                      | 5,000            | 12,404         |
| The Reading Agency                              | 2,000            | —              |
| The Tablet Trust                                | 10,000           | —              |
| Transform Trade                                 | 16,000           | 14,000         |
| UNHCR                                           | 5,000            | —              |
| Wandsworth Food Bank                            | 5,000            | —              |
| Transform Trade                                 | —                | 14,000         |
| <b>Carried forward</b>                          | <b>1,205,000</b> | <b>224,021</b> |

## 6 Expenditure on: Donations payable (continued)

| Recipient                                          | 2025<br>funds    | 2024<br>£      |
|----------------------------------------------------|------------------|----------------|
| <b>Brought forward</b>                             | <b>1,205,000</b> | 224,021        |
| The Trussell Trust                                 | —                | 10,000         |
| West End Refugee Service (WERS)                    | <b>3,000</b>     | 2,500          |
| Windsor Hill Wood                                  | —                | 2,200          |
| Young Ministry Trust Diocese of Hexham & Newcastle | <b>3,000</b>     | 3,000          |
|                                                    | <b>1,211,000</b> | 241,721        |
| Donations of less than £1,000                      | <b>210</b>       | 550            |
| <b>Total donations</b>                             | <b>1,211,210</b> | <b>242,271</b> |

Total donations for the year include a £5,000 (2024 - £12,404) restricted grant for work in Uganda.

## 7 Expenditure on: Support of members of the Society and their ministry

|                                           | Unrestricted funds |                  |
|-------------------------------------------|--------------------|------------------|
|                                           | 2025<br>£          | 2024<br>£        |
| Premises                                  | <b>302,516</b>     | 327,903          |
| Sisters' living and ministry expenses     | <b>2,003,285</b>   | 1,832,136        |
| Education, training and spiritual renewal | <b>9,138</b>       | 13,498           |
| Refurbishments                            | <b>68,153</b>      | 93,104           |
| Other support costs                       | <b>651,371</b>     | 657,287          |
| Governance costs (note 8)                 | <b>40,320</b>      | 38,040           |
|                                           | <b>3,074,783</b>   | <b>2,961,968</b> |

## 8 Governance costs

|                        | Unrestricted funds |           |
|------------------------|--------------------|-----------|
|                        | 2025<br>£          | 2024<br>£ |
| Auditor's remuneration | <b>40,320</b>      | 38,040    |

## 9 Net expenditure before gains on investments

This is stated after charging:

|                                           | 2025<br>£        | 2024<br>£ |
|-------------------------------------------|------------------|-----------|
| Staff costs (note 10)                     | <b>1,432,597</b> | 1,392,763 |
| Auditor's remuneration (note 8)           |                  |           |
| · Statutory audit services – current year | <b>38,400</b>    | 38,040    |
| · Statutory audit services – prior year   | <b>1,920</b>     | —         |
| Depreciation (note 12)                    | <b>292,990</b>   | 295,798   |

# **10 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees**

|                                                      | 2025<br>£        | 2024<br>£        |
|------------------------------------------------------|------------------|------------------|
| Staff costs during the year were as follows:         |                  |                  |
| Wages and salaries                                   | 1,278,632        | 1,233,646        |
| Social security costs                                | 101,833          | 106,923          |
| Pension costs                                        | 52,132           | 52,194           |
|                                                      | <b>1,432,597</b> | <b>1,392,763</b> |
| Staff costs per function were as follows:            |                  |                  |
| Support of members of the Society and their ministry | <b>1,432,597</b> | <b>1,392,763</b> |

Three employees earned over £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2024 – one). These fell within the following ranges:

|                   | 2025 | 2024 |
|-------------------|------|------|
| £60,000 - £69,999 | 1    | 1    |
| £70,000 - £79,999 | 1    | —    |
| £80,000 - £89,999 | 1    | —    |

The average number of employees during the year, analysed by function, was as follows:

|                                                      | 2025      | 2024      |
|------------------------------------------------------|-----------|-----------|
| Support of members of the Society and their ministry | <b>59</b> | <b>57</b> |

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, the Executive Director, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £219,273 (2024 – £231,333).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2024 – none).

A members of the Society, none of the trustees have 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 £269,363 (2024 – £198,710).

## **11 Taxation**

The Society of the Sacred Heart CIO 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.

**12 Tangible fixed assets**

|                                            | Total<br>land and<br>buildings<br>(see below)<br>£ | Building<br>improvements<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£        |
|--------------------------------------------|----------------------------------------------------|-------------------------------|------------------------|-------------------------------|-------------------|
| <b>Cost</b>                                |                                                    |                               |                        |                               |                   |
| At 1 July 2024                             | 10,881,621                                         | 1,449,956                     | 289,231                | 274,230                       | <b>12,895,038</b> |
| Additions                                  | 2,506,225                                          | 136,186                       | 22,500                 | 6,667                         | <b>2,671,578</b>  |
| Transfer to investment property (note 13a) | (146,789)                                          | —                             | —                      | —                             | <b>(146,789)</b>  |
| Disposals                                  | (113,688)                                          | —                             | (32,418)               | (2,181)                       | <b>(148,287)</b>  |
| At 30 June 2025                            | <b>13,127,369</b>                                  | <b>1,586,142</b>              | <b>279,313</b>         | <b>278,716</b>                | <b>15,271,540</b> |
| <b>Depreciation</b>                        |                                                    |                               |                        |                               |                   |
| At 1 July 2024                             | 3,443,569                                          | 931,793                       | 222,208                | 264,449                       | <b>4,862,019</b>  |
| Charge for the year                        | 136,083                                            | 117,456                       | 33,069                 | 6,382                         | <b>292,990</b>    |
| On disposals                               | (24,471)                                           | —                             | (32,418)               | (545)                         | <b>(57,434)</b>   |
| At 30 June 2025                            | <b>3,555,181</b>                                   | <b>1,049,249</b>              | <b>222,859</b>         | <b>270,286</b>                | <b>5,097,575</b>  |
| <b>Net book values</b>                     |                                                    |                               |                        |                               |                   |
| At 30 June 2025                            | <b>9,572,188</b>                                   | <b>536,893</b>                | <b>56,454</b>          | <b>8,430</b>                  | <b>10,173,965</b> |
| At 30 June 2024                            | <b>7,438,052</b>                                   | <b>518,163</b>                | <b>67,023</b>          | <b>9,781</b>                  | <b>8,033,019</b>  |

**Land and buildings**

|                                               | Freehold land and buildings |                                   |                       | Long<br>leasehold<br>property<br>£ | Total<br>land and<br>buildings<br>£ |
|-----------------------------------------------|-----------------------------|-----------------------------------|-----------------------|------------------------------------|-------------------------------------|
|                                               | Residential<br>£            | Assets under<br>construction<br>£ | Purpose<br>built<br>£ |                                    |                                     |
| <b>Cost</b>                                   |                             |                                   |                       |                                    |                                     |
| At 1 July 2024                                | 4,473,578                   | —                                 | 4,421,397             | 1,986,646                          | <b>10,881,621</b>                   |
| Additions                                     | —                           | 2,506,225                         | —                     | —                                  | <b>2,506,225</b>                    |
| Disposals                                     | —                           | —                                 | —                     | (113,688)                          | <b>(113,688)</b>                    |
| Transfer to investment property<br>(note 13a) | (146,789)                   | —                                 | —                     | —                                  | <b>(146,789)</b>                    |
| At 30 June 2025                               | <b>4,326,789</b>            | <b>2,506,225</b>                  | <b>4,421,397</b>      | <b>1,872,958</b>                   | <b>13,127,369</b>                   |
| <b>Depreciation</b>                           |                             |                                   |                       |                                    |                                     |
| At 1 July 2024                                | —                           | —                                 | 3,324,127             | 119,442                            | <b>3,443,569</b>                    |
| Charge for the year                           | —                           | —                                 | 125,315               | 10,768                             | <b>136,083</b>                      |
| Disposals                                     | —                           | —                                 | —                     | (24,471)                           | <b>(24,471)</b>                     |
| At 30 June 2025                               | —                           | —                                 | <b>3,449,442</b>      | <b>105,739</b>                     | <b>3,555,181</b>                    |
| <b>Net book values</b>                        |                             |                                   |                       |                                    |                                     |
| At 30 June 2025                               | <b>4,326,789</b>            | <b>2,506,225</b>                  | <b>971,955</b>        | <b>1,767,219</b>                   | <b>9,572,188</b>                    |
| At 30 June 2024                               | <b>4,473,578</b>            | —                                 | <b>1,097,270</b>      | <b>1,867,204</b>                   | <b>7,438,052</b>                    |

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts. Certain of the charity's properties are subject to covenants which restrict their use and disposal. During the year, one property was reclassified to investment properties as its use changed from operational purposes to being held for rental income and for capital appreciation.

## 12 Tangible fixed assets

### Capital commitments

At 30 June 2025, a capital commitment of £3,505,735 existed (2024 – £nil) relating to the rebuild of one of the charity's properties which was demolished in late 2024.

## 13 Fixed asset investments

At 30 June 2025 investments comprised:

|                                                                   | 2025<br>£         | 2024<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| Freehold investment property (see a. below)                       | 1,450,000         | —                 |
| Listed investments and cash held for re-investment (see b. below) | 30,716,206        | 36,948,301        |
| Programme related investments (see c. below)                      | 1,650,000         | 1,650,000         |
|                                                                   | <b>33,816,206</b> | <b>38,598,301</b> |

Movements on each category of investment are summarised below:

### a. Freehold investment property

|                                               | 2025<br>£        | 2024<br>£ |
|-----------------------------------------------|------------------|-----------|
| At 1 July 2024                                | —                | —         |
| Transfer from tangible fixed assets (note 12) | 146,789          | —         |
| Revaluation to fair value                     | 1,303,211        | —         |
| At 30 June 2025                               | <b>1,450,000</b> | —         |

During the year, this property was reclassified from tangible fixed assets as its use changed from operational purposes to being held for rental income and capital appreciation.

A valuation of £1.45m was provided by an independent surveyor to the charity.

### b. Listed investments

|                                            | 2025<br>£         | 2024<br>£         |
|--------------------------------------------|-------------------|-------------------|
| <b>Listed investments</b>                  |                   |                   |
| Market value at 1 July 2024                | 36,948,301        | 33,856,695        |
| Additions                                  | 22,280            | —                 |
| Disposals                                  | (4,932,439)       | —                 |
| Net unrealised investment gains (losses)   | (1,321,936)       | 3,091,606         |
| Market value at 30 June 2025               | <b>30,716,206</b> | <b>36,948,301</b> |
| Cost of listed investments at 30 June 2025 | <b>24,922,586</b> | <b>28,736,505</b> |

At 30 June 2025 listed investments comprised holdings in the following common investment fund:

|                                        | 2025              |                                    | 2024              |                                    |
|----------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
|                                        | Market value<br>£ | Percentage of total portfolio<br>% | Market value<br>£ | Percentage of total portfolio<br>% |
| COIF Charities Ethical Investment Fund | 30,716,206        | 100                                | 36,948,301        | 100                                |

All listed investments within the above fund were dealt in on a recognised stock exchange.

**13 Fixed asset investments (continued)*****b. Listed investments (continued)***

Investment manager fees are deducted automatically from the portfolio on a quarterly basis and are inherent in arriving at the market value of funds held. The fees deducted are based on a fixed percentage which exceeds that contractually payable by the charity. As such, the investment manager rebates fees to the charity every quarter. The rebates, which amount to £74,201 for the year to 30 June 2025 (2024 – £68,827) are included in these accounts as miscellaneous income.

***c. Programme related investments***

|                                       | 2025<br>£        | 2024<br>£        |
|---------------------------------------|------------------|------------------|
| Carrying value at 1 July 2024         | 1,650,000        | 1,897,071        |
| Disposals of Oikocredit equity shares | —                | (247,071)        |
| Carrying value at 30 June 2025        | <u>1,650,000</u> | <u>1,650,000</u> |

Programme related investments comprise:

|                     | 2025<br>£        | 2024<br>£        |
|---------------------|------------------|------------------|
| Freehold properties | 1,650,000        | 1,650,000        |
|                     | <u>1,650,000</u> | <u>1,650,000</u> |

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity owns a property which is leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

**14 Debtors**

|                                                                          | 2025<br>£      | 2024<br>£      |
|--------------------------------------------------------------------------|----------------|----------------|
| Investment income                                                        | 249,260        | 264,263        |
| Other debtors                                                            | 32,556         | 30,572         |
| Prepayments in respect to anticipated additions to tangible fixed assets | —              | 512,253        |
|                                                                          | <u>281,816</u> | <u>807,088</u> |

## 15 Creditors: amounts falling due within one year

|                                                     | 2025<br>£      | 2024<br>£      |
|-----------------------------------------------------|----------------|----------------|
| <b>Amounts falling due within one year</b>          |                |                |
| Accruals                                            | 91,030         | 72,031         |
| Capital creditors                                   | 267,640        | —              |
| Donations payable                                   | 360,812        | 101,222        |
| Salaries and related creditors                      | 38,904         | 14,651         |
|                                                     | <b>758,386</b> | <b>187,904</b> |
| <b>Amounts falling due after more than one year</b> |                |                |
| Donations payable                                   | 666,667        | —              |

## 16 Restricted funds

|                                  | At<br>1 July<br>2024<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2025<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | —           | (5,000)          | —                          |

|                                  | At<br>1 July<br>2023<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2024<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | 12,404      | (12,404)         | 5,000                      |

## 17 Tangible fixed assets fund

|                       | 2025<br>£         | 2024<br>£        |
|-----------------------|-------------------|------------------|
| At 1 July 2024        | 8,033,019         | 7,283,380        |
| Net movements in year | 2,140,946         | 749,639          |
| At 30 June 2025       | <b>10,173,965</b> | <b>8,033,019</b> |

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

**18 Programme related investments**

|                      | 2025<br>£ | 2024<br>£ |
|----------------------|-----------|-----------|
| At 1 July 2024       | 1,650,000 | 1,897,071 |
| Net movement in year | —         | (247,071) |
| At 30 June 2025      | 1,650,000 | 1,650,000 |

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 13, these investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity.

It is the intention of the trustees of the charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**19 Designated funds**

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

|                            | At<br>1 July<br>2024<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2025<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 14,437,150                | —                        | (124,902)                  | 14,312,248                 |
| Future strategy fund       | 15,000,000                | —                        | (4,255,826)                | 10,744,174                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 100,492                   | —                        | 13,832                     | 114,324                    |
| Ministry support fund      | 500,000                   | 211,210                  | (211,210)                  | 500,000                    |
| Building maintenance fund  | 4,211,263                 | 3,459,036                | (2,061,354)                | 5,608,945                  |
| Malta fund                 | 1,765,772                 | —                        | (72,972)                   | 1,692,800                  |
|                            | <b>38,514,677</b>         | <b>3,670,246</b>         | <b>(6,712,432)</b>         | <b>35,472,491</b>          |

|                            | At<br>1 July<br>2023<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2024<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 15,000,000                | —                        | (562,850)                  | 14,437,150                 |
| Future strategy fund       | 15,000,000                | —                        | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 63,889                    | —                        | 36,603                     | 100,492                    |
| Ministry support fund      | 500,000                   | 174,450                  | (174,450)                  | 500,000                    |
| Building maintenance fund  | 4,709,562                 | —                        | (498,299)                  | 4,211,263                  |
| Malta fund                 | 1,614,692                 | 151,080                  | —                          | 1,765,772                  |
|                            | <b>39,388,143</b>         | <b>325,530</b>           | <b>(1,198,996)</b>         | <b>38,514,677</b>          |

**19 Designated funds** (continued)

♦ *Retirement fund*

This consists of monies which the trustees have set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Future strategy fund*

This fund consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

♦ *Society restructuring fund*

This fund (previously named the International Development Fund) consists of monies which the trustees have set aside to support the work needed as a result of the canonical restructuring of the Society of the Sacred Heart and its international work.

♦ *Barat House Hostel fund*

This fund represents the net assets of Barat House. The assets have been designated for use by the House only.

♦ *Ministry support fund*

This consists of monies which the trustees have set aside for the support of charitable work.

♦ *Building maintenance fund*

This fund represents monies designated by the trustees to support the development of the healthcare hub and also maintain the charity's existing properties.

♦ *Malta fund*

This represents monies which the trustees have designated for the care of the elderly religious in Malta.

## 20 Analysis of net assets between funds

|                                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£ |
|--------------------------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2024<sup>5</sup><br/>are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                                    | —                    | 10,173,965                               | —                       | —                                                | —                        | 10,173,965         |
| Investments                                                              | —                    | —                                        | 32,166,206              | 1,650,000                                        | —                        | 33,816,206         |
| Current assets                                                           | 4,227,724            | —                                        | 3,306,285               | —                                                | —                        | 7,534,009          |
| Creditors falling due within one year                                    | (758,386)            | —                                        | —                       | —                                                | —                        | (758,386)          |
| Creditors falling due after more than one year                           | (666,667)            | —                                        | —                       | —                                                | —                        | (666,667)          |
| <b>Total net assets</b>                                                  | <b>2,802,671</b>     | <b>10,173,965</b>                        | <b>35,472,491</b>       | <b>1,650,000</b>                                 | <b>—</b>                 | <b>50,099,127</b>  |

|                                                              | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2024<br>£ |
|--------------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <i>Fund balances at 30 June 2024<br/>are represented by:</i> |                      |                                          |                         |                                                  |                          |                    |
| <i>Tangible fixed assets</i>                                 | —                    | 8,033,019                                | —                       | —                                                | —                        | 8,033,019          |
| <i>Investments</i>                                           | —                    | —                                        | 36,948,301              | 1,650,000                                        | —                        | 38,598,301         |
| <i>Current assets</i>                                        | 4,201,363            | —                                        | 1,566,376               | —                                                | 5,000                    | 5,772,739          |
| <i>Creditors falling due within one year</i>                 | (187,904)            | —                                        | —                       | —                                                | —                        | (187,904)          |
| <i>Total net assets</i>                                      | <i>4,013,459</i>     | <i>8,033,019</i>                         | <i>38,514,677</i>       | <i>1,650,000</i>                                 | <i>5,000</i>             | <i>52,216,155</i>  |

## 20 Analysis of net assets between funds (continued)

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

|                                                            | 2025<br>£        | 2024<br>£        |
|------------------------------------------------------------|------------------|------------------|
| <b>Total unrealised gains included above:</b>              |                  |                  |
| On listed investments                                      | 5,793,621        | 8,211,796        |
|                                                            | <b>5,793,621</b> | <b>8,211,796</b> |
| <b>Reconciliation of movements in unrealised gains</b>     |                  |                  |
| Unrealised gains at 1 July                                 | 8,211,796        | 5,120,190        |
| Less: in respect of additions in the year                  | (22,280)         | —                |
| Less: in respect of disposals in the year                  | (963,800)        | —                |
| Add: net (losses)/gains arising on revaluation in the year | (1,432,095)      | 3,091,606        |
| <b>Total unrealised gains at 30 June</b>                   | <b>5,793,621</b> | <b>8,211,796</b> |

## 21 Connected charity and related party transactions

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2025, Digby Stuart College Trust owed the charity £18,744 (2024 – £18,744).

Details of donations made to the charity by the trustees during the year are provided in note 10.

During the year, the charity made a donation of £20,000 to a family member of one of the trustees. This donation was made in line with the charity's objectives and criteria, which the individual fully met.

There were no other related party transactions during the year requiring disclosure (2024 – none).

## 22 Liability of the member

The Provincial Superior of the Society, by virtue of holding that office, is ex-officio the sole member of the Charitable Incorporated Organisation (CIO) for as long as she holds that office. If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. It is the duty of the member of the CIO to exercise her powers as a member of the CIO in the way she decides in good faith would be the most likely to further the purposes of the CIO. The member shall before exercising her powers carry out such consultations and obtain such consents, if any, as may be required by the Society's Constitutions.

## 23 Post balance sheet events

During October 2024 the trustees agreed to the sale of Millner Court. At the year end, the property had not yet been sold, but it was in the process of being sold for approximately £170,000.

**SOCIETY OF THE SACRED HEART CIO**

England & Wales - Charity number 1179288

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# Accounts

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**Society of  
the Sacred Heart  
CIO**

**Annual Report and Accounts**

30 June 2024

Charity Registration Number 1179288



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### Accounts

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

|                                    |                                                                                                                                                                                                                                                                    |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Sister Christine Edwards RSCJ<br>Sister Catherine Lloyd RSCJ (Chair)<br>Sister Sheila McNamara RSCJ<br>Sister Bernadette Porter RSCJ<br>Sister Lorraine Pratt RSCJ<br>Sister Stephanie Romaine RSCJ<br>Sister Marianne Tavares RSCJ<br>Sister Margaret Wilson RSCJ |
| <b>Provincial Superior</b>         | Sister Catherine Lloyd RSCJ                                                                                                                                                                                                                                        |
| <b>Administrative Address</b>      | 3 Bute Gardens<br>Hammersmith<br>London<br>W6 7DR                                                                                                                                                                                                                  |
| Telephone                          | 020 8741 4688                                                                                                                                                                                                                                                      |
| <b>Charity Registration Number</b> | 1179288                                                                                                                                                                                                                                                            |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL                                                                                                                                                                                                             |
| <b>Bankers</b>                     | HSBC Bank plc<br>53-55 Uxbridge Road<br>London<br>W5 5SA                                                                                                                                                                                                           |
| <b>Solicitors</b>                  | Pothecary Witham Weld<br>84 Eccleston Square<br>Pimlico<br>London<br>SW1V 1PX                                                                                                                                                                                      |
| <b>Investment managers</b>         | CCLA Investment Management Limited<br>Senator House<br>85 Queen Victoria Street<br>London<br>EC4V 4ET                                                                                                                                                              |

## **Report of the trustees** Year to 30 June 2024

The trustees present their annual report together with the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year to 30 June 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 33 to 38 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

The Society of the Sacred Heart is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a constitution dated 23 July 2018.

The CIO was set up to continue the work of the Society of the Sacred Heart Charitable Trust (the predecessor charity), an unincorporated charity (Charity Registration Number 227848). With effect from 1 July 2019, the assets, liabilities and activities of the unincorporated charity were transferred to the CIO. The unincorporated charity remains a separate entity which the Society is acting to remove from the register.

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution.

The Society established its first community in England in December 1842: it is now present in several locations around England and retains a retreat centre in Wales. In the Province of England and Wales (ENW) we mostly live in small communities. Central to our lives is a rhythm of prayer and reflection in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as we can and to meet the needs of our world – locally, nationally and globally - supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish, and God's love be made known to all.

Our apostolic priorities as an international congregation are education, spirituality, formation and justice, peace and integrity of creation.

### **Objectives**

Our objectives cover a range of charitable activities, which include:

- ◆ the support of the members of the Society and their charitable works
- ◆ the advancement of education
- ◆ the advancement of the Roman Catholic religion
- ◆ the relief of poverty.

### **Leadership in the Society**

The Society is present on all continents and in 41 countries and is divided into Provinces by country or region. The central government of the Society - the General Council and the Treasurer General – is based in Rome.

In 2021 the Society began the work of restructuring its governance. An assembly of Provincials in 2022 proposed a reduction in the number of Provinces worldwide from twenty-seven to eight.

During the report period, work accelerated towards the creation of a new province which will comprise the existing provinces of Ireland and Scotland Central Europe, England and Wales and the area of Malta.

In 2022, we established a range of interim structures designed to aid the process of coming together. Our networking group has facilitated contact between RSCJ across the new province area with activities such as Zoom meetings and the production of a directory of sisters within the new province area. A transition group was established to examine the civic, financial and legal implications of the process of becoming a new province.

In January 2024, a joint meeting of the Provincial Leadership Teams and the Transition Group of the existing provinces met in Vienna and recommended the establishment of a Governance Model Group (GMG) to lead the development of a model for governance within the new Province.

In April 2024, the GMG met in London and agreed a draft governance model. The proposed draft model allows for the appointment of a Provincial leadership Team who will govern the whole of the new province area. All civic structures such as the Society of the Sacred Heart CIO will remain as currently.



### **Leadership in the Society** (continued)

#### ***Governance Management Group – London April 2024***

The Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members worldwide in the ensuing eight-year period.

The Society's General Chapter met in August 2024 in Rome. The General Chapter formally ratified the proposed province of Central Europe and the Islands comprising the existing provinces of Ireland and Scotland Central Europe, England and Wales and the area of Malta. At the time of writing the new province area is working through the process to elect a new Provincial

### **Activities and performance**

In setting the charity's objectives and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit.

This report gives an overview of our work and pays particular attention to some of the ways in which we have sought to respond to and meet the objectives of the charity.

However, much of our work is interwoven with our core belief in God and our membership of the Roman Catholic Church. This along with our apostolic priorities of education, commitment to being at the service of the materially and spiritually poor and the marginalised, and our effort to meet the needs of our own members in this Province and in the wider international Society.

#### ***The support of the members of the Society and their charitable works***

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of the members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the province – to accompany and support newer members through each stage, i.e. candidacy, noviciate and temporary vows, and through each discernment and transition.

#### **Vocations Ministry**

There were no candidates or novices in the province this year.

Some of our sisters work to provide input and activities for sisters in training in other provinces.

As part of our contribution to the international Society, we regularly host sisters from other areas of the world wishing to learn English or undertake other developmental opportunities. During the report period, we were pleased to host visiting sisters from Mexico, Spain, Argentina, Poland and Hungary.

**Activities and performance (continued)**

***The support of the members of the Society and their charitable works (continued)***

*Ongoing personal development of our members*

Each RSCJ is responsible for her on-going development and the province tries to support and offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological, and emotional levels. Individual members of the province have followed sabbatical programmes, some in established centres, others through a programme they have designed with the approval of the Provincial Leadership Team.

***Governance and Management***

Leadership and government in the England Wales province are carried out with due regard to canon and civil law. Our leadership structures conform to the constitution of the Society of the Sacred Heart constitution and UK charity law. Our current leadership team comprises the Provincial and her team of two additional sisters. These three along with five other sisters act as Trustees of the CIO. Table 1 sets out personnel involved in provincial leadership and the governance of our CIO.

In the past year, the Provincial and her team met regularly with counterparts from across Europe especially the leaders of the new province area as described above. This has been a major focus of work. Other areas of activity have included legacy planning, a focus on the Society's giving and a review of health care provision due to the evolving needs of sisters within the province.

The Society employs eleven lay staff to carry out a variety of roles including expert advisors in health and safeguarding as well as finance, administration and archive management. This figure does not include staff employed at our care home.

Day to day management of lay staff is undertaken by our Executive Director who started work for the Society in October 2023.

| Name                 | Provincial Team | Trustees | Other Governance Structures         |
|----------------------|-----------------|----------|-------------------------------------|
| Sr Catherine Lloyd   | Provincial      | Chair    |                                     |
| Sr Marianne Tavares  | Team Member     | Trustee  |                                     |
| Sr Sheila McNamara   | Team Member     | Trustee  |                                     |
| Sr Bernie Porter     |                 | Trustee  |                                     |
| Sr Stephanie Romaine |                 | Trustee  |                                     |
| Sr Chris Edwards     |                 | Trustee  | Chair of Finance Advisory Committee |
| Sr Lorraine Pratt    |                 | Trustee  |                                     |
| Sr Margaret Wilson   |                 | Trustee  |                                     |

*Table 1*

***Networking and Community***

Throughout the year, sisters have met with each other in a range of formal and informal configurations. Province days in November and March brought together those sisters who can travel. A formal Chapter meeting in advance of the international gathering in Rome in August 2024, elected Sr Bernie Porter to attend the Chapter as representative for the England and Wales province.

**Activities and performance** (continued)

***Networking and Community*** (continued)

Informal social gatherings took place throughout the year including a Christmas gathering in London and various events at Duchesne. Outside of structured events, sisters meet regularly on a face to face and online basis often to discuss aspects of scripture or spirituality.

As our thoughts turn to the new province, gatherings of RSCJ from across the new province area have continued via Zoom under the auspices of the Networking Group.

The Networking Group has produced a book of all RSCJ across the new province area designed to enable sisters to have each other's details as part of the getting to know each other process.

***Health and Wellbeing***

The Society employs a Health Advisor who offers health advice, advocacy, support and accompaniment to those sisters living independently outside Duchesne House. The age profile of the sisters (median age 82) means that demands on her time have increased during the report period. We are in the process of a review of her role and of the needs of members to determine what additional support might be offered.



**Duchesne House**

Duchesne House is the Society's purpose-built care home offering care and support to up to sixteen sick, frail and elderly sisters. It exists to provide care for members, none of whom have resources of their own and all of whom have dedicated their lives to the educative mission of the Society of the Sacred Heart. A team of staff works to ensure that the congregation receives the levels of care they require to enable them to live their lives in community as fully as is possible. An onsite chapel facilitates prayer and reflection with weekly Mass. Our fulltime Liturgical and Activities Coordinator organises a programme of internal events and sisters who can do so, attend community events outside Duchesne House.

During the report period, the Duchesne House community numbered 14 sisters. During the year, one sister died, and one joined the community. Several others had short spells there to recuperate from illness or treatment.

**Activities and performance (continued)**

***Health and Wellbeing (continued)***

**Duchesne House (continued)**

Sr Mary Grant writes, *"It is very interesting for me now to be a resident being very well cared for here in Duchesne House, as I was Care Manager and Superior in the 1990s and on the Pastoral Team for three and a half years from 2013 onwards. Being still pretty active at 94, I am very happy to organise the Masses and Liturgical Celebrations here, especially with providing the music."*

*This involves choosing suitable hymns for the themes, typing up the words in large print so that those with visual or hearing difficulties can follow, delving into my laptop to find the relevant music files and then relaying these through the Chapel PA system at the appropriate time. I also organise the Ceremonies at Christmas and Easter, where necessary adapting (shortening!) the ceremonies to a suitable length for our needs, and producing the handouts needed so that people can follow with ease what is happening. I also prepare the missals, marking the daily and weekly readings. When our Sacristan is absent, I replace her in preparing and clearing the altar'.*



**Activities and performance** (continued)

***Health and Wellbeing*** (continued)

*Duchesne House* (continued)

We have progressed our plans to build eight self-contained flats on the Duchesne House site. We have now secured planning permission, and the work is due to commence in Autumn 2024. Once ready for occupation, it will enable the gradual release for sale of properties unsuitable for the needs of the current membership. A project team chaired by an RSCJ, and a lay project manager are working together with the appointed architects.

***Safeguarding***

Along with other religious orders, the Society has continued to support the Roman Catholic Church's "One Church" approach to safeguarding children and vulnerable adults. The Provincial and trustees engaged with the new Religious Life Safeguarding Service (RLSS). Following the appointment of a lay safeguarding officer in 2023, we have made significant progress to embed safeguarding policy and practice during the year including

- ◆ Bi-annual reports to Trustees via our Safeguarding Trustee Lead
- ◆ 90 % of office based lay staff have undertaken safeguarding training. The remaining staff member will access training within 3 months of start date. 100% of care staff have completed safeguarding training. There is an induction system set up to catch new members of staff
- ◆ 100% of Trustees have undertaken safeguarding training.
- ◆ Fortnightly meetings between Care Home Manager and Safeguarding lead
- ◆ Safeguarding policies revised, updated, and approved by Trustees in June 2024,
- ◆ Two Training sessions for individual RSCJ in staying safe at home and online attended by 18 sisters
- ◆ Drop-in safeguarding meetings planned for RSCJ in Autumn 2024.
- ◆ Periodic community meetings at Duchesne House have Safeguarding as a standing item on the agenda.

We anticipate audit by CSSA (Catholic Safeguarding Standards Agency) in the coming year and we will work to ensure that we are prepared for this.

***The advancement of Education***

The Society of the Sacred Heart was founded in Paris in 1800 in the aftermath of the French Revolution, with the aim of aiding the rebuilding of a fractured society through the Christian education of girls. In this Province we expanded from providing schools for girls to running coeducational primary schools, secondary schools, and teacher training colleges, one of which is now incorporated into the University of Roehampton. Over the past fifty or so years, however, as our understanding of education broadened, many of our sisters moved out of working in schools, with several re-training and working in related fields, and newer members discerning different ministries according to their background and skills.

## Activities and performance (continued)

### ***The advancement of Education***

Whatever we do, there is a strong educational dimension to the lives of all the members which permeates all our ministries, service, and relationships. Our sisters continue to take active roles in the governance of the schools and college established by the Society. Table 2 sets out the current governance roles held by members of the Society. In addition to these formal roles, individual RSCJ take an active role in the day to day lives of the schools and support staff development and induction.

| Sister / RSCJ      | Sacred Heart High School, Hammersmith | Woldingham School | Roehampton University Council | Digby Stuart Liaison Group |
|--------------------|---------------------------------------|-------------------|-------------------------------|----------------------------|
| Sr Catherine Lloyd | Chair of the Academy Trustees         | Member            |                               |                            |
| Sr Jane Maltby     |                                       | School Governor   |                               |                            |
| Sr Margaret Wilson | Academy Trustee                       |                   |                               |                            |
| Sr Lorraine Pratt  | Academy Trustee                       |                   |                               |                            |
| Sr Chris Edwards   | Academy Trustee                       |                   | Member                        | member                     |
| Sr Bernie Porter   |                                       |                   |                               | Chair                      |

*Table 2*

### ***The Sacred Heart School and College Network***

In this second year of a full time Network Coordinator for the Schools and College Network, there has been significant progress and development in the sharing of the Society's mission for education amongst our Sacred Heart educators. In addition to the creation of extensive formation materials that can be used in schools, Schools Network Staff have also delivered in person bespoke training to staff and governors in 3 of the 5 schools, reaching over 200 network colleagues. The feedback from these sessions has been very positive with staff commenting that it re-energised their commitment to Sacred Heart education and inspired them to look at their role as a Sacred Heart in a new light, even amongst experienced staff.

The beginning of the academic year in September 2023 saw the induction of two new school leaders to the Network, namely (interim Head) at Woldingham School and, Head of Digby Stuart College, Roehampton. This required a tailored induction involving in-person meetings, emails and phone conversations and the provision of a range of digital materials such as videos, made available through our Padlets. This has contributed to improved engagement from both settings, with Vicky taking on a role within the Digby Stuart Liaison Group and assisting with the recruitment of a new Chaplain at the College.

In addition to our English Schools Network, Vicky also has an active role on the Core Team of the European Network of Sacred Heart Schools. In this role, she co-facilitated the European Teacher's Head Conference in Rome in October 2023. This was a 3 day gathering of 70 headteachers from across Europe who were engaged in workshops based on the 4 new apostolic priorities of the Society. It was also, as always, a great opportunity to build links between schools and networks.

**Activities and performance** (continued)

***The advancement of Education*** (continued)

*The Sacred Heart School and College Network* (continued)

The Network continues to build its online presence through Instagram and has seen a 100% increase in followers this year. A month long campaign around Sacred Heart alumnus and Sacred Heart Olympians saw daily posts reaching up to 1000 impressions. The aim of the account is to engage with those with some connection to the Society, especially older students, younger teachers and family members. Our goal is to promote the Sacred Heart ethos and mission in an easily accessible format.

This year has also seen development in the Network's relationship with the RSCJ communities across the province. Vicky and Ann regularly visit and stay at the Fenham Hall Drive community and visit the sisters in Duchesne House. The Hammersmith, Roehampton and Woldingham schools have also all engaged in visits to Duchesne House ranging from shared conversations to choir performances. We have also encouraged RSCJ Sisters to attend the 180<sup>th</sup> anniversary tree plantings in each school this year, and these have been well attended. All the sisters have received termly newsletters (highlighting events in the schools), as well as Christmas and Easter cards, written by the students and coordinated by the Network Office and these are always very well received.

Many of the families in our schools continue to struggle with the cost-of-living crisis and have been grateful recipients of funds through the Ministry Support Fund. Schools are allocated a contribution to their hardship funds based on demographics of their students and the schools decide how best to distribute them. Headteachers share that these funds have been vitally important for the recipients, who often need a small amount in an emergency, where an application process for support would slow down getting the help to where it is most needed.

The latter part of this year saw further conferences in the English Network for the Goals Coordinators and the Headteachers. The Goals Coordinators Conferences are coordinated by Ann Gregory, who works closely with these important staff members in each school. Ann organises network wide events and collaborations and supports those who are new in the role.

The Headteachers Conference took place on Holy Island off the Northumberland coast in April. We welcomed two new school leaders to the group which provided an opportunity to articulate our mission, and the nature of the support offered by the Network Office. The Conference enabled time to reflect on the latest document from the Society's International Education Commission, *Sophie's Gift*. This document was also used as a focus for the Goals Coordinators and at a gathering of European teachers in Joigny, France in late April. This rich document offers a great opportunity for Sacred Heart educators around the world to consider how best to bring the inspiration of Madeleine Sophie's mission to our schools today.

In addition to using *Sophie's Gift* as a focus for next academic year, the Network is also celebrating the 50<sup>th</sup> birthday of the Sacred Heart Goals of Education with several cross Network projects including staff exchange visits, a Goals themed HeartFest (student gathering) and some joint projects with the schools in Ireland, Scotland and Malta. We have created a new logo for the Network for this special year and have invested in printed materials and other merchandise to help with its promotion. Parents of our school children will receive a leaflet with links to online videos focusing on how they can help to develop the Goals in their homes, recognizing them as the first teachers of their children. There is much excitement amongst our schools and college communities as we begin this important anniversary year.

**Activities and performance** (continued)

***The advancement of Education*** (continued)

**The Sacred Heart School and College Network** (continued)



*Presentation by Schools Network Coordinator – Vicky Lorenzato*

**The University of Roehampton**

The University of Roehampton is a collegiate, independent and not-for-profit university. It originated from its four founding Colleges, which are Digby Stuart (Catholic), Southlands (Methodist), Whitelands (Church of England) and Froebel (Secular). Digby Stuart was established and run by the Society as a teacher training college.

We retain our involvement with the university, appointing two members to the council and via the Digby Stuart Liaison Group. This group was established to help maintain and develop the relationship between the Society, the College, and the wider University community and to help the Society to understand how to go on enriching the community life of the college and the work of the chaplaincy in ways that reflect the values and ethos of the Society of the Sacred Heart. Further details of the Society and our work with Digby Stuart can be found in the Trustees report for our sister charity, Digby Stuart College Trust.

Outside of governance, the Society offers financial support to groups of students in need.

**Sacred Heart Sanctuary Scholarship**

In 2020, the Society donated £500,000 to the Sanctuary Scholarship at the University of Roehampton. The Sacred Heart Sanctuary Scholarship is designed to support those who might otherwise be unable to access higher education funding because of their immigration status. Funds are still disbursed via the scholarship. To date, ten students have received awards of which one has already graduated, and a second will graduate in September 2024.

**Activities and performance** (continued)

***The advancement of Education*** (continued)

*RUSH Scholarship*

This scholarship also funded by the Society and still disbursing funds, supports academics at risk of persecution in their homelands. During the report period, we were approached to support an academic fleeing the war in Ukraine. The application was accepted, and the scholar will shortly commence her further studies at the University of Roehampton.

*Other support of education*

Grants from our Missionary Support Fund have helped build up and support educational initiatives in the UK and abroad.

Our Sisters are also involved in other educative activities. Sr Margaret Wilson and Sr Bernadette Porter support the work of the network of schools. Sr Cath Lloyd facilitates the work of other congregations and assists groups with strategic planning.

***The advancement of the Roman Catholic religion***

Since its foundation in 1800 the “end and mission” of the Society of the Sacred Heart has been to make known the love of God, and all members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying Gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

Some of our members carry out their ministries in specifically Roman Catholic contexts, but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charity. Members contribute to the achievement of this objective through their work in:

Our members carry out their work in a variety of interlinked ways including spiritual ministry, chaplaincy and parish ministry and the promotion of ecumenical and interfaith dialogue.

*Spiritual Ministry*

Eight province members engage in ministry as spiritual and retreat directors. This work takes place in a variety of contexts with some working from home and others in ecumenical contexts and retreat centres.

**Activities and performance** (continued)

***The advancement of the Roman Catholic religion*** (continued)

*Spiritual Ministry* (continued)

Sr Lorraine Pratt specialises in teaching dance meditation and in supervising and training others doing similar work. This year, she led workshops in Pamplona, Madrid, Budapest and Placeres in addition to a monthly group in London.



*Sr Lorraine Pratt teaching*

Sr Sheila McNamara is a spiritual director and educator, teaching on the two-year course in Spiritual Accompaniment at St Antony's Priory, Durham. In addition to her teaching work, Sr Sheila maintains a small case load as a spiritual director and offers supervision to others. She also holds the role of Diocesan Lead on Spiritual Accompaniment for the Diocese of Hexham and Northumbria.

Sr Clare Balfour is responsible for running the Society's own spirituality retreat centre at Llannerchwen, Brecon in Wales. During the report period, the centre hosted guests from a variety of faiths.

Sr Steph Romaine holds a caseload as a Spiritual Director and leads retreats for students and parishioners in Durham and Sunderland. Another focus of Sr Steph' work is at the Ministeracres Retreat Centre where she offers supervision and training workshops with the Bereavement Team.

**Activities and performance** (continued)

***The advancement of the Roman Catholic religion*** (continued)

Chaplaincy ministry at Digby Stuart College, Roehampton University

The Society supports the Chaplaincy ministry at Digby Stuart College in a variety of ways.

Barat House, a former convent at the university and owned by the Society, has for many years, hosted an intentional Christian community. This community, run jointly with the Methodist Chaplaincy at Southlands College. This arrangement is of benefit to the students who live there and to the college. Eight students lived at Barat House during the report period.

Along with our colleagues at Southlands, we have undertaken a review of the community. We plan to pause accommodation provision when the current students leave in 2025, whilst we develop further plans for the community.

In 2023/4, the Society offered financial support for a college trip to Lourdes.

Parish Ministry

All sisters are parishioners in their local Catholic churches and contribute to the life of these faith communities in many ways. Some of our sisters participate in faith sharing groups, as readers and eucharistic ministers. Many sisters have been involved in the Catholic Church's synodal process in their parish communities.

***The Relief of Poverty***

The Society's commitment to the poor and the marginalised and to justice, peace, and the integrity of creation, permeates our lives and choices as individuals, local communities and as a province community. Much of our commitment to this aim is fulfilled through individual or local community involvement with a specific charity or project.

In 2023/24, we have furthered our commitments in this area through charitable donations, the work of individual sisters and our partnerships with delivery agencies within and outside the church.

Charitable Giving

During the year, the Society donated a total of £242,271 to more than 35 organisations through our Missionary Support Fund (MSF) and grants from our Provincial Team. Organisations receiving grants and donations worked in areas such as refugee and migrant support, homelessness, family support and Catholic parishes. Organisations supported ranged from large international charities like CAFOD to local foodbanks in Hammersmith and Newcastle

75% of organisations supported work in England and Wales with the remaining 25% working overseas, largely in the Global South.

Individual sisters in the Province can nominate for support organisations with whom they have long standing connections. These bids for funding are then considered by a panel of RSCJ and awards are made.

**Activities and performance** (continued)

***The Relief of Poverty*** (continued)

*Charitable Giving* (continued)

Sr Mary Barrow writes,

*I applied to the Ministry Support Fund for a donation for the Refugee and Migrant Project (The Renewal Programme) and for Care4calais. Both these projects work with refugees. They are not supported by the Government and are reliant on the donations they receive. I worked voluntarily with the Refugee and Migrant Project for 20 years and know from first-hand experience how they help those applying to stay in this country and the ongoing support they are given. It is always a joy to meet them and hear how they have settled and continue to develop and even aid newcomers.*



In addition to the Ministry Support Fund, this year, the province made “one off” emergency donations to those experiencing great need. These have included charities working with victims of disaster and contributions to special appeals of the international Society.

*Ebbw Vale Food Pantry – a recipient of MSF funding*

*In Kind Giving*

Aside from donations, the Society offers more sustained support to some organisations. Since 2019, the Society has leased a large west London property at peppercorn rent to the Medaille Trust, an organisation supporting trafficked women. In addition to the use of the building, the Society has supported the employment of an ESOL worker to work with residents at the service.

Sr Jane Maltby is a longstanding supporter and current Chair of Trustees at Medaille.



*Medaille Safe House for trafficked women – London*

**Activities and performance** (continued)

***The Relief of Poverty*** (continued)

*Conference of Religious*

The Conference of Religious in England and Wales (COR) is a registered charity and representative body for leaders in religious life. The Society makes a significant contribution to the work of COR. In 2023/4, Sr Catherine Lloyd acted as Co- Chair of COR. During the report period, Sr Jane Maltby led a collaborative project designed to bring together congregations to promote the sharing of learning, expertise and experiences in a context of change. A series of interactive workshops on subjects ranging from change management, governance, finance and property management attracted an average of 70 delegates per workshop.

In addition to this work, Sr Jane is advising 4 congregations at varying stages of change and completion.

**Our Future Plans**

- ◆ Following ratification by the General Chapter of the Society, we will implement the structural and leadership changes required to come together in our new province bringing together the existing provinces of England and Wales, Ireland Scotland, Central Europe and the area of Malta.
- ◆ We will work locally and at province level to share learning and findings from our General Chapter of August 2024 and to implement strategies and initiatives arising from it.
- ◆ We will review our governance structures including our Finance Advisory Committee, our Investments and Long-term assets committee and our Trustee structures and the relationships between them. This will include the development of a process for the appointment of lay advisors.
- ◆ We will continue construction work on our Berrymead housing project of ten self-contained flats on the site of our care home, Duchesne House.
- ◆ We will work with our safeguarding lead and others to maintain and improve our safeguarding practice and processes in preparation for audit by the Catholic Safeguarding Standards agency.
- ◆ We will continue to plan for our legacy including the use of our heritage spaces in Roehampton.

## **Relevant policies**

### ***Investment policy***

The charity has a portfolio of listed investments which had a value of £36,948,301 at 30 June 2024, along with short-term cash investments of £2,934,030.

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

The listed investments are managed by CCLA Investment Management Limited, which operates within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees considers income requirements, the risk profile and, in respect to listed investments, the investment manager's views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five-year period. The investment policy requires the investment manager to take account of the ethical, social, and environmental concerns of the trustees as expressed in the policy.

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2023-2024 has been met.

The performance of the charity's listed investments has improved compared to last year with the portfolio giving a capital return of 9.13% (2023 – 2.29%). The income yield for the year was 3.65% (2023 – 3.14%).

The charity sold its funds invested with Oikocredit, Ecumenical Development Co-Operative Society U.A. This is an ethical investment which is not held specifically to make a financial return but is held in support of development projects which benefit disadvantaged and marginalised individuals. As a result, these funds are deemed programme related investments and were included on the balance sheet at cost. The cost of the funds held at 30 June 2024 was £nil (2023 – £247,071).

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent, and another property that is leased to the Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. These represent properties which are not held specifically to make a financial return and directly further the charitable purposes of the charity. As a result, these properties are considered to be programme related investments and have been included on the balance sheet at deemed cost, less any provision for diminution in value, of £1,050,000 and £600,000 respectively.

The trustees are satisfied that the charity's investment objectives are being met.

### ***Donations and grant making policy***

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

**Relevant policies** (continued)

***Donations and grant making policy*** (continued)

During the year £242,271 (2023 – £385,261) was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

***Fundraising policy***

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received by the charity it would be handled by a senior member of staff or trustee.

**Financial review**

The Province now has 40 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity, any earnings have been covenanted to the charity. However, as the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. With 90% of the Province at retirement age, the investment income will continue to be relied upon by the CIO to supplement the decline in salary and pension income. Sufficient funds need to be built up by the CIO to ensure that investment income will guarantee the continuance of ministries, development of the Novitiate, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment “to radiate the very love of the Heart of Christ through love and service” (Society’s Constitutions Para 7).

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year’s results can be found on page 30 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £2,273,092 (2023 – £2,313,090). This included surpluses on the disposal of tangible fixed assets of £4,750 (2023 – 176,082).

Expenditure totalled £3,295,073 for the year (2023 – 3,207,541), of which £329,125 (2023 – £437,743) related to donations made to other charities (including the annual contribution to the Generalate).

Net expenditure for the year amounted to £1,021,981 (2023 – net expenditure of £894,451) before net investment gains of £3,091,606 (2023 – net gains of £903,450) which gave rise to a net increase in funds of £2,069,625 (2023 – a net increase in funds of £8,999).

**Financial review** (continued)

***Reserves policy***

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work and the on-going commitment to support members of the Society, the level of free reserves should be approximately equal to one year's expenditure on unrestricted funds.

The trustees are of the opinion that this provides sufficient flexibility:

- ♦ to cover temporary shortfalls in income due to timing differences in income flows;
- ♦ to ensure adequate working capital for core costs; and
- ♦ to allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

***Financial position***

The balance sheet shows total funds of £52,216,155 (2023 – £50,146,530) and of this, £8,033,019 (2023 – £7,283,380) represents the tangible fixed assets used by the Sisters. The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day-to-day work of the charity. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Similarly, those investments classified as programme related investments are represented by a separate designated fund – the programme related investments fund. These investments comprise land and buildings, which are owned by the charity but used by other charities with charitable objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

An amount of £14,437,150 (2023 – £15,000,000) had been designated by the trustees to provide for the Sisters in their retirement. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. There is also a designated fund of £1,765,772 (2023 – £1,614,692), designated to care for the elderly religious in Malta.

A future strategy fund of £15,000,000 (2023 – £15,000,000) has been established and consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

**Financial review** (continued)

***Financial position*** (continued)

The building maintenance fund of £4,211,263 (2023 – £4,709,562) has been set aside to support an action plan for the charity's properties, several of which are in need of substantial maintenance work.

The ministry support fund will be used to support charitable work and at 30 June 2024 amounted to £500,000 (2023 – £500,000), whilst the society restructuring fund of £2,500,000 (2023 – £2,500,000) will be used to support the international work of the Society. The Barat House Hostel fund of £100,492 (2023 – £63,889) represents the net assets of Barat House and has been designated for use by the House only.

Funds restricted to specific purposes amounted to £5,000 as at 30 June 2024 (2023 – £5,000).

Funds which are available to support the work of the Sisters in the future are shown on the balance sheet as general funds and therefore amount to £4,013,459 (2023 – £1,572,936).

The trustees are aware that this level of reserves meets the amount required by the above policy but are also aware this has been influenced by stock market volatility. They will continue to monitor reserve levels in the light of market developments.

***The charity's assets***

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

**Governance, structure and management**

***Trustees***

On 1 July 2022, Sister Catherine Lloyd began her second three-year mandate as Provincial Superior, supported by her Provincial Council – Sister Marianne Tavares and Sister Sheila McNamara

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. The trustees are selected from the members of the Province of England and Wales based on the skills and knowledge they can bring to the trustee role. All have previous experience of being a trustee and have received information and training on the role and responsibilities of trustees. At any one time there must be a minimum of six trustees but not more than twelve trustees.

***Sister Christine Edwards***

Chris is a retired teacher, youth worker and School Chaplain. After a prolonged association with the University of Roehampton, Chris now serves as one of the Society's representatives on the Council of the University of Roehampton.



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

**Trustees** (continued)



*Sister Catherine Lloyd*

Cath is a former teacher, Head of Department and School Chaplain. A trained spiritual advisor, facilitator and organisational consultant, she has worked within formation, for the Conference of Religious of England and Wales and in international leadership for the Society's General Council. She has been Provincial since 2019.

*Sister Sheila McNamara*

Following a career as a teacher, Sheila worked as Diocesan Primary Schools Adviser first in the Archdioceses of Westminster and Hexham and Newcastle for seven years. Sheila's present ministry is in spirituality, working part time in an ecumenical Spirituality Centre in Durham. She has served on several Provincial Committees and is a member of the Provincial Team.



*Sister Bernadette Porter*

Following a school teaching career, Bernie joined the Education Department at Roehampton Institute and subsequently worked as College Principal of Digby Stuart, Pro-Rector and latterly, Vice Chancellor of the University. Bernie served as Treasurer General of the International Society. She has held several Trustee roles in educational settings.

*Sister Lorraine Pratt*

Lorraine spent most of her life working in education as Head of Department, Diocesan Youth Officer, school chaplain; and then as Chair of Governors at the Sacred Heart School in Hammersmith, living with student communities in Oxford and London. She works with adults teaching dance meditation as a medium for both enjoyment and spiritual growth.



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

**Trustees** (continued)



**Sister Stephanie Romaine**

Sister Stephanie Romaine Following a teaching career, Steph worked in mediation, as a psychotherapist, counselling supervisor and currently works as a spiritual director. Within the Society, Steph has worked in leadership, formation and in running the Society's retreat centre.

Sister Steph Romaine works as a Spiritual Director and accompanies retreats for students and parishioners in Newcastle and Durham. Another focus of Sister Steph's work is at the Ministeracres Retreat Centre where she co-leads days for the bereaved as part of the Diocesan Bereavement Team.

**Sister Marianne Tavares**

A trained nurse and complementary therapist, Marianne has worked in hospitals, in the community and in palliative care settings in the UK and Canada. A member of the Provincial Team, Marianne has pastoral responsibilities in Duchesne House.



**Sister Margaret Wilson**

Margaret's career has been in education as a teacher and head of the RE Department. A trained spiritual advisor, Margaret has worked in varied settings. Margaret has worked in formation and in Provincial administration in the Society. She is currently Provincial for the area of Malta.

### **Trustees' responsibilities statement**

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).

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

- ◆ select suitable accounting policies and then apply them consistently.
- ◆ observe the methods and principles in 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 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

### **Management**

The trustees have the final responsibility for the policies, activities, and assets of the charity. They meet annually to review developments regarding the charity and to make significant decisions. The day-to-day management of the charity's activities and the implementation of policies are delegated to:

- ◆ the trustees who, with the Provincial Superior, form the Provincial Council; and
- ◆ the Finance Advisory Committee; and
- ◆ the appropriate senior staff.

### **Key management personnel**

The trustees consider that they, together with the Executive Director, Operations Manager and the Care Manager of Duchesne House comprised the key management of the charity during the year in charge of directing and controlling, running and operating the charity on a day-to-day basis.

**Key management personnel** (continued)

All trustees are members of the Society and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of key staff is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives.

**Connected charity**

Details of the connected charity are given in note 21 to the attached accounts.

**Risk management**

The Trustees have regard to the risks facing the CIO through their risk management policy and risk register. The latter was approved by Trustees in Feb 2024 and will be reviewed annually by them.

Through the process of development of a risk register, Trustees have identified and taken measures to mitigate risk. In addition, The Investment and Long-term Assets and the Finance Advisory Committee also discuss risk and its mitigation on a regular basis. Some key risks and mitigating actions are set out below.

***Age profile of the members and over-commitment of a few in administration***

An analysis of the age profile of members of the Society reveals a median age of 82 on June 30<sup>th</sup>, 2024. Trustees are aware that there is both a moral and legal obligation to care for the older sisters, none of whom have resources of their own as all earnings, pensions and other income have been donated to the charity.

Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care in the years ahead by setting aside assets in a designated fund, based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

The age profile of the members is also relevant to the identification of those sisters who are both willing and able to serve as trustees of the charity in the future. This matter has been given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisory group that might be consulted by the trustees.

***Safeguarding***

Members of the Society work with children and adults, including older people. Trustees recognise the importance of ensuring the protection and safety of all those that the charity serves. Sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

**Risk management** (continued)

***Safeguarding*** (continued)

All staff are also required to obtain clearance from the Disclosure and Barring Service and undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The province is currently aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative. Along with other religious orders the Society is committed to the "one church" approach to safeguarding.

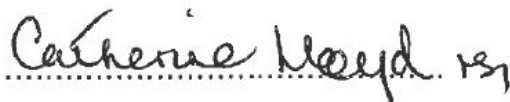
***Loss of key staff***

The Society recognises that lay staff are a key resource and Trustees work to ensure that employment practices reflect current best practice and fulfils its duty of care to employees. The charity is reliant on a small number of key staff. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives. Wherever possible, the charity will aim to enable staff to develop their skills and knowledge to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity.

***Health and safety***

Trustees review Health and Safety policy and process on a regular basis so as to ensure the welfare of sisters, lay staff and all those using the Society's facilities.

Approved by and signed on the behalf of the trustees:

A handwritten signature in dark ink, reading "Catherine Lloyd RSCJ". The signature is written in a cursive style and is positioned above a dotted line.

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 28 February 2025

**Independent auditor's report on the financial statements to the trustees of the Society of the Sacred Heart CIO**

**Opinion**

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the 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 30 June 2024 and of its incoming resources and application of resources 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 other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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)

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 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 accounts 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.

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

In the light of the knowledge and understanding of the charity 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 Charities (Accounts and Reports) Regulations 2008 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 set out on page 23, 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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:

- ◆ 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Performed substantive testing on expenditure; and
- ◆ Tested journal entries to identify unusual transactions.

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

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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

6 March 2025

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 30 June 2024

|                                                        | Notes | Total funds        |                   |
|--------------------------------------------------------|-------|--------------------|-------------------|
|                                                        |       | 2024<br>£          | 2023<br>£         |
| <b>Income from:</b>                                    |       |                    |                   |
| Donations and legacies                                 | 1     | 851,526            | 814,020           |
| Investments and interest receivable                    | 2     | 1,234,965          | 1,147,493         |
| Charitable activities                                  | 3     | 53,192             | 53,436            |
| Other sources:                                         |       |                    |                   |
| . Surplus on disposal of tangible fixed assets         | 4     | 4,750              | 176,082           |
| . Miscellaneous sources                                | 5     | 128,659            | 122,059           |
| <b>Total income</b>                                    |       | <b>2,273,092</b>   | <b>2,313,090</b>  |
| <b>Expenditure on:</b>                                 |       |                    |                   |
| Charitable activities                                  |       |                    |                   |
| . Donations payable                                    | 6     | 329,125            | 437,743           |
| . Support of members of the Society and their ministry | 7     | 2,961,968          | 2,756,586         |
| . Provision of retreat accommodation                   |       | 3,980              | 13,212            |
| <b>Total expenditure</b>                               |       | <b>3,295,073</b>   | <b>3,207,541</b>  |
| <b>Net expenditure before net gains on investments</b> | 9     | <b>(1,021,981)</b> | <b>(894,451)</b>  |
| Net gains on investments                               | 13    | 3,091,606          | 903,450           |
| <b>Net income and net movement in funds</b>            |       | <b>2,069,625</b>   | <b>8,999</b>      |
| <b>Reconciliation of funds:</b>                        |       |                    |                   |
| Balances brought forward at 1 July 2023                |       | 50,146,530         | 50,132,531        |
| Balances carried forward at 30 June 2024               |       | <b>52,216,155</b>  | <b>50,141,530</b> |

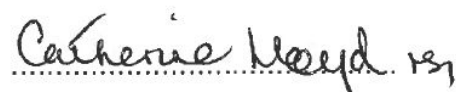
All recognised gains and losses are included in the above statement of financial activities.

The statement of financial activities above includes £12,404 of restricted income and expenditure. Of the opening and closing funds, £5,000 is attributable to restricted funds, as disclosed in note 16 of the accounts.

## Balance sheet 30 June 2024

|                                                       | Notes | 2024<br>£        | 2024<br>£         | 2023<br>£        | 2023<br>£         |
|-------------------------------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                  |                   |                  |                   |
| Tangible assets                                       | 12    |                  | 8,033,019         |                  | 7,283,380         |
| Investments                                           | 13    |                  | 38,598,301        |                  | 40,102,136        |
|                                                       |       |                  | <b>46,631,320</b> |                  | <b>47,385,516</b> |
| <b>Current assets</b>                                 |       |                  |                   |                  |                   |
| Debtors                                               | 14    | 807,089          |                   | 366,824          |                   |
| Cash at bank and in hand                              |       | 4,965,650        |                   | 2,596,323        |                   |
|                                                       |       | <b>5,772,739</b> |                   | <b>2,963,149</b> |                   |
| <b>Creditors:</b> amounts falling due within one year | 15    | (187,904)        |                   | (202,135)        |                   |
| <b>Net current assets</b>                             |       |                  | <b>5,584,835</b>  |                  | <b>2,761,014</b>  |
| <b>Total net assets</b>                               |       |                  | <b>52,216,155</b> |                  | <b>50,146,530</b> |
| <b>The funds of the charity:</b>                      |       |                  |                   |                  |                   |
| Restricted income funds                               | 16    |                  | 5,000             |                  | 5,000             |
| Unrestricted income funds                             |       |                  |                   |                  |                   |
| . General fund                                        |       |                  | 4,013,459         |                  | 1,572,936         |
| . Tangible fixed assets fund                          | 17    |                  | 8,033,019         |                  | 7,283,380         |
| . Programme related investments fund                  | 18    |                  | 1,650,000         |                  | 1,897,071         |
| . Designated funds                                    | 19    |                  | 38,514,677        |                  | 39,388,143        |
|                                                       |       |                  | <b>52,216,155</b> |                  | <b>50,146,530</b> |

Approved by the trustees and signed  
on their behalf by:



Trustee

Approved by the trustees on: 28 February 2025

## Statement of cash flows Year to 30 June 2024

|                                                         | Notes | 2024<br>£        | 2023<br>£        |
|---------------------------------------------------------|-------|------------------|------------------|
| <b>Cash flows from operating activities:</b>            |       |                  |                  |
| Net cash used in operating activities                   | A     | (2,420,393)      | (1,388,562)      |
| <b>Cash flows from investing activities:</b>            |       |                  |                  |
| Investment income received                              |       | 1,234,965        | 1,245,546        |
| Interest received                                       |       | —                | 2,928            |
| Proceeds from the disposal of tangible fixed assets     |       | 4,750            | 894,833          |
| Proceeds from disposal of listed investments            |       | —                | 3,500,000        |
| Proceeds from disposal of programme related investments |       | 247,071          | —                |
| Purchase of tangible fixed assets                       |       | (1,045,437)      | (373,729)        |
| Purchase of cash investments                            |       | —                | (4,348,371)      |
| Purchase of programme related investments               |       | —                | (1,226)          |
| Reclassification of investments to Cash                 |       | 4,348,371        | —                |
| <b>Net cash provided by investing activities</b>        |       | <b>4,789,720</b> | <b>919,981</b>   |
| <b>Change in cash and cash equivalents in the year</b>  |       | <b>2,369,327</b> | <b>(468,582)</b> |
| <b>Cash and cash equivalents at 1 July 2023</b>         | B     | <b>2,596,323</b> | <b>3,064,905</b> |
| <b>Cash and cash equivalents at 1 June 2024</b>         |       | <b>4,965,650</b> | <b>2,596,323</b> |

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

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

|                                                                             | 2024<br>£          | 2023<br>£          |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>2,069,625</b>   | <b>8,999</b>       |
| <b>Adjustments for:</b>                                                     |                    |                    |
| Depreciation charge                                                         | 295,798            | 304,981            |
| Gains on listed investments                                                 | (3,091,606)        | (903,450)          |
| Investment income                                                           | (1,234,965)        | (1,144,565)        |
| Interest receivable                                                         | —                  | (2,928)            |
| Surplus on disposal of tangible fixed assets                                | (4,750)            | (176,082)          |
| (Increase) decrease in debtors                                              | (440,264)          | 803,744            |
| Decrease in creditors                                                       | (14,231)           | (285,338)          |
| <b>Net cash used in operating activities</b>                                | <b>(2,420,393)</b> | <b>(1,394,639)</b> |

#### B Analysis of cash and cash equivalents

|                          | 2024<br>£ | 2023<br>£ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 4,965,650 | 2,596,323 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## **Principal accounting policies** Year to 30 June 2024

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

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), 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 and management to make significant judgements and estimates.

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge; and
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives.

As set out in these accounting policies under “assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **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 one year from the date of approval of these accounts.

**Assessment of going concern** (continued)

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards 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 markets (please see the risk management sections of the trustees' report for more information).

**Income**

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

Income comprises donations, legacies, investment income, interest receivable, hostel income, other rents receivable from charitable activities and other income including the surplus on the disposal of tangible fixed assets.

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 and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

Dividends are 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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

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**

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. All expenditure is stated inclusive of irrecoverable VAT.

**Expenditure** (continued)

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

♦ ***Donations payable***

Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.

♦ ***The support of members of the Society and their ministry***

Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.

♦ ***Provision of retreat accommodation***

Expenditure on Barat House which provides accommodation for students.

**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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

**Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

♦ ***Freehold land and buildings***

Freehold land and buildings are shown on the balance sheet at cost, deemed cost or, where donated, at their value at the date of donation.

◇ ***Residential***

Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost or deemed 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 different from their book value.

**Tangible fixed assets** (continued)

♦ **Freehold land and buildings** (continued)

◇ *Purpose built residential care home*

Other buildings comprising a residential care home for elderly Sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.

♦ **Leasehold property**

Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.

♦ **Building improvements**

Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.

♦ **Fixtures and fittings**

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four year period on a straight line basis.

♦ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Tangible fixed assets are impaired when the recoverable amount is determined to be less than the carrying amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

**Heritage Assets**

The charity has title to a number of unique drawings, religious artefacts, and ephemera which form part of the heritage of the Society of the Sacred Heart and the nation generally and which the charity intends to preserve for the enjoyment of future generations.

These assets are held principally for the preservation for their contribution to knowledge and culture. As such, the assets meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. It is not possible to place any meaningful valuation on the assets for the purposes of these financial statements given the one-off nature of certain items and the limited active market for others.

**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.

Cash held with investment managers, but intended for operational use, including in order to fund asset construction work which will be taking place within one year of the date of signing of the accounts, has been treated as cash at bank and in hand.

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.

**Investments (continued)**

Properties held for investment purposes are included in these accounts at their fair value which is deemed to be their open market value. When a property previously held for investment purposes is transferred to tangible fixed assets, the carrying value of the property is treated as deemed cost and no adjustment is made to reverse any unrealised gains or losses.

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 are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value given that the properties are rented at a non-commercial rate, not principally for a monetary return on investment.

**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. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

**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 accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

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

## **Principal accounting policies** Year to 30 June 2024

### **Fund accounting** (continued)

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

### **Services provided by members of the Society**

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

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme. The expense is allocated to the support of members of the Society and their ministry.

### **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.

**1 Income from: Donations and legacies**

|                                                                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2024 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ |
|-------------------------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid | 839,122                 | —                     | 839,122               | 813,578                 | —                     | 813,578               |
| Other donations                                                                           | —                       | 12,404                | 12,404                | 442                     | —                     | 442                   |
|                                                                                           | <b>839,122</b>          | <b>12,404</b>         | <b>851,526</b>        | <b>814,020</b>          | <b>—</b>              | <b>814,020</b>        |

**2 Income from: Investments and interest receivable**

|                                                   | Unrestricted funds |                  |
|---------------------------------------------------|--------------------|------------------|
|                                                   | 2024<br>£          | 2023<br>£        |
| Income from listed investments                    |                    |                  |
| . UK Common investment funds                      | 1,234,965          | 1,144,565        |
| Bank interest and interest on short term deposits | —                  | 2,928            |
|                                                   | <b>1,234,965</b>   | <b>1,147,493</b> |

**3 Income from: Charitable activities**

|                                | Unrestricted funds |               |
|--------------------------------|--------------------|---------------|
|                                | 2024<br>£          | 2023<br>£     |
| Hostel income                  | 34,894             | 31,582        |
| Retreat centre income          | 16,498             | 19,654        |
| Other rental income receivable | 1,800              | 2,200         |
|                                | <b>53,192</b>      | <b>53,436</b> |

**4 Income from: Surplus on disposal of tangible fixed assets**

|                                               | Unrestricted funds |                |
|-----------------------------------------------|--------------------|----------------|
|                                               | 2024<br>£          | 2023<br>£      |
| Surplus on the disposal of land and buildings | —                  | 165,082        |
| Surplus on the disposal of motor vehicles     | 4,750              | 11,000         |
|                                               | <b>4,750</b>       | <b>176,082</b> |

**5 Income from: Miscellaneous sources**

|                                         | Unrestricted funds |                |
|-----------------------------------------|--------------------|----------------|
|                                         | 2024<br>£          | 2023<br>£      |
| Investment manager fee rebate (note 13) | 68,827             | 91,531         |
| Other                                   | 59,832             | 30,528         |
|                                         | <b>128,659</b>     | <b>122,059</b> |

**6 Expenditure on: Donations payable**

The charity makes donations to institutions in accordance with the donations policy set out in the report of the trustees. No grants were payable to individuals during the year. The donations payable during the year were as follows:

|                                                                    | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2024 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ |
|--------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Contributions to the Generalate of the Society of the Sacred Heart | 86,854                  | —                     | 86,854                | 52,482                  | —                     | 52,482                |
| Donations to institutions (see overleaf)                           | 229,867                 | 12,404                | 242,271               | 385,261                 | —                     | 385,261               |
|                                                                    | <b>316,721</b>          | <b>12,404</b>         | <b>329,125</b>        | <b>437,743</b>          | <b>—</b>              | <b>437,743</b>        |

Donations paid to institutions during the year comprised the following:

| Recipient                                                          | 2024 funds<br>£ | 2023<br>£      |
|--------------------------------------------------------------------|-----------------|----------------|
| Aid to the Church in Need                                          | 5,000           | 5,000          |
| Bishop Bewick Catholic Education Trust                             | 5,000           | 8,774          |
| Butterfly Tree Project                                             | —               | 1,500          |
| CAFOD                                                              | 15,000          | 10,000         |
| Cardinal Hume Centre                                               | 10,000          | 10,000         |
| Care4Calais                                                        | 4,000           | 6,000          |
| Caritas Westminster (Firm Foundations)                             | —               | 10,000         |
| Catholic Children's Society                                        | 11,500          | 7,500          |
| Christian Aid                                                      | —               | 5,000          |
| Community Hub, Our Lady of Fatima, White Chapel                    | 5,000           | 7,000          |
| Crisis                                                             | 1,000           | —              |
| DEC re Pakistan floods                                             | —               | 5,000          |
| Ebbw Vale Community Pantry                                         | 11,500          | 3,000          |
| Fenham Association of Residents (FAR) (including swimming project) | —               | 150,000        |
| The Glass Door                                                     | 6,000           | 5,000          |
| Hammersmith & Fulham Foodbank                                      | 4,000           | 5,000          |
| Jesuit Refugee Service                                             | 5,000           | 32,000         |
| Katherine Low Settlement                                           | —               | 9,600          |
| Llysfas Ignatian Spirituality                                      | 3,200           | —              |
| London Irish Centre Charity                                        | 2,500           | 2,500          |
| Marys Meals                                                        | 2,500           | —              |
| The Medaille Trust                                                 | 52,000          | 5,000          |
| Minsteracres Retreat Centre                                        | 5,500           | —              |
| Missio                                                             | 5,000           | 5,000          |
| Newham Community Project                                           | —               | 7,000          |
| Newman Catholic College                                            | 2,500           | —              |
| Network of Sacred Heart Schools and College                        | —               | 9,000          |
| Operation Noah                                                     | —               | 4,000          |
| PACT                                                               | 10,000          | —              |
| The Passage                                                        | 10,000          | 10,000         |
| Pax Christi                                                        | 5,000           | 5,000          |
| The Peoples' Kitchen                                               | 1,400           | —              |
| Red Cross                                                          | 1,000           | —              |
| Refugee and Migrant Project (RAMP)                                 | 9,000           | —              |
| Religious Life Safeguarding Service                                | —               | 5,000          |
| Sacred Heart High School Hammersmith                               | 2,000           | —              |
| Sacred Heart School Roehampton                                     | 2,000           | —              |
| Sacred Heart School Uganda                                         | 12,404          | —              |
| Shepton Mallet Dementia Action Alliance                            | —               | 1,500          |
| Solidarity in South Sudan                                          | —               | 10,000         |
| STCF Philanthropy                                                  | —               | 5,000          |
| Traidcraft Exchange                                                | 1,017           | 6,983          |
| Transform Trade                                                    | 14,000          | 8,000          |
| <b>Carried forward</b>                                             | <b>224,021</b>  | <b>364,357</b> |

## 6 Expenditure on: Donations payable (continued)

| Recipient                                          | 2024<br>funds  | 2023<br>£ |
|----------------------------------------------------|----------------|-----------|
| <b>Brought forward</b>                             | <b>224,021</b> | 364,357   |
| The Trussell Trust                                 | 10,000         | 5,000     |
| West End Refugee Service (WERS)                    | 2,500          | 2,500     |
| Windsor Hill Wood                                  | 2,200          | —         |
| Young Ministry Trust Diocese of Hexham & Newcastle | 3,000          | 3,000     |
|                                                    | <b>241,721</b> | 374,857   |
| Donations of less than £1,000                      | 550            | 10,404    |
|                                                    |                |           |
| <b>Total donations</b>                             | <b>242,271</b> | 385,261   |

## 7 Expenditure on: Support of members of the Society and their ministry

|                                           | Unrestricted funds |           |
|-------------------------------------------|--------------------|-----------|
|                                           | 2024<br>£          | 2023<br>£ |
| Premises                                  | 327,903            | 204,231   |
| Sisters' living and ministry expenses     | 1,832,136          | 1,780,692 |
| Education, training and spiritual renewal | 13,498             | 24,951    |
| Refurbishments                            | 93,104             | 183,380   |
| Other support costs                       | 657,287            | 513,732   |
| Governance costs (note 8)                 | 38,040             | 49,600    |
|                                           | <b>2,961,968</b>   | 2,756,586 |

## 8 Governance costs

|                        | Unrestricted funds |           |
|------------------------|--------------------|-----------|
|                        | 2024<br>£          | 2023<br>£ |
| Auditor's remuneration | 38,040             | 49,600    |

## 9 Net expenditure before gains on investments

This is stated after charging:

|                                           | 2024<br>£ | 2023<br>£ |
|-------------------------------------------|-----------|-----------|
| Staff costs (note 10)                     | 1,392,763 | 1,247,616 |
| Auditor's remuneration (note 8)           |           |           |
| . Statutory audit services – current year | 38,040    | 38,040    |
| . Statutory audit services – prior year   | —         | 5,560     |
| . Other accountancy services – prior year | —         | 6,000     |
| Depreciation (note 12)                    | 295,798   | 304,981   |

# **10 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees**

|                                                      | 2024<br>£        | 2023<br>£        |
|------------------------------------------------------|------------------|------------------|
| Staff costs during the year were as follows:         |                  |                  |
| Wages and salaries                                   | 1,233,646        | 1,113,245        |
| Social security costs                                | 106,923          | 93,865           |
| Pension costs                                        | 52,194           | 40,506           |
|                                                      | <b>1,392,763</b> | <b>1,247,616</b> |
| Staff costs per function were as follows:            |                  |                  |
| Support of members of the Society and their ministry | <b>1,392,763</b> | <b>1,247,616</b> |

One employee earned £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2023 – none). This fell within the following range:

|                   | 2024     | 2023     |
|-------------------|----------|----------|
| £60,000 - £69,999 | <b>1</b> | <b>—</b> |

The average number of employees during the year, analysed by function, was as follows:

|                                                      | 2024      | 2023      |
|------------------------------------------------------|-----------|-----------|
| Support of members of the Society and their ministry | <b>57</b> | <b>53</b> |

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, the Executive Director, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £231,333 (2023 – £165,031).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2023 – none).

As members of the Society, none of the trustees have 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 £198,710 (2023 – £256,213).

## **11 Taxation**

The Society of the Sacred Heart CIO 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.

**12 Tangible fixed assets**

|                        | Total<br>land and<br>buildings<br>(see below)<br>£ | Building<br>improvements<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£        |
|------------------------|----------------------------------------------------|-------------------------------|------------------------|-------------------------------|-------------------|
| <b>Cost</b>            |                                                    |                               |                        |                               |                   |
| At 1 July 2023         | 9,866,621                                          | 1,421,700                     | 299,010                | 272,049                       | <b>11,859,380</b> |
| Additions              | 1,015,000                                          | 28,256                        | —                      | 2,181                         | <b>1,045,437</b>  |
| Disposals              | —                                                  | —                             | (9,779)                | —                             | <b>(9,779)</b>    |
| At 30 June 2024        | <u>10,881,621</u>                                  | <u>1,449,956</u>              | <u>289,231</u>         | <u>274,230</u>                | <b>12,895,038</b> |
| <b>Depreciation</b>    |                                                    |                               |                        |                               |                   |
| At 1 July 2023         | 3,306,380                                          | 816,110                       | 199,432                | 254,078                       | <b>4,576,000</b>  |
| Charge for the year    | 137,189                                            | 115,683                       | 32,555                 | 10,371                        | <b>295,798</b>    |
| On disposals           | —                                                  | —                             | (9,779)                | —                             | <b>(9,779)</b>    |
| At 30 June 2024        | <u>3,443,569</u>                                   | <u>931,793</u>                | <u>222,208</u>         | <u>264,449</u>                | <b>4,862,019</b>  |
| <b>Net book values</b> |                                                    |                               |                        |                               |                   |
| At 30 June 2024        | <u>7,438,052</u>                                   | <u>518,163</u>                | <u>67,023</u>          | <u>9,781</u>                  | <b>8,033,019</b>  |
| At 30 June 2023        | <u>6,560,241</u>                                   | <u>605,590</u>                | <u>99,578</u>          | <u>17,971</u>                 | <b>7,283,380</b>  |

**Land and buildings**

|                        | Freehold land and buildings |                       |                                    | Total<br>land and<br>buildings<br>£ |
|------------------------|-----------------------------|-----------------------|------------------------------------|-------------------------------------|
|                        | Residential<br>£            | Purpose<br>built<br>£ | Long<br>leasehold<br>property<br>£ |                                     |
| <b>Cost</b>            |                             |                       |                                    |                                     |
| At 1 July 2023         | 4,473,578                   | 4,421,397             | 971,646                            | <b>9,866,621</b>                    |
| Additions              | —                           | —                     | 1,015,000                          | <b>1,015,000</b>                    |
| At 30 June 2024        | <u>4,473,578</u>            | <u>4,421,397</u>      | <u>1,986,646</u>                   | <b>10,881,621</b>                   |
| <b>Depreciation</b>    |                             |                       |                                    |                                     |
| At 1 July 2023         | —                           | 3,198,805             | 107,575                            | <b>3,306,380</b>                    |
| Charge for the year    | —                           | 125,322               | 11,867                             | <b>137,189</b>                      |
| At 30 June 2024        | <u>—</u>                    | <u>3,324,127</u>      | <u>119,442</u>                     | <b>3,443,569</b>                    |
| <b>Net book values</b> |                             |                       |                                    |                                     |
| At 30 June 2024        | <u>4,473,578</u>            | <u>1,097,270</u>      | <u>1,867,204</u>                   | <b>7,438,052</b>                    |
| At 30 June 2023        | <u>4,473,578</u>            | <u>1,222,592</u>      | <u>864,071</u>                     | <b>6,560,241</b>                    |

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts. Certain of the charity's properties are subject to covenants which restrict their use and disposal.

**Capital commitments**

At 30 June 2024, no capital commitments existed (2023 – £nil) although planning permission has been obtained to rebuild one of the charity's properties which was demolished in late 2024. The estimated cost of this rebuild is approximately £5 million.

### 13 Fixed asset investments

At 30 June 2024 investments comprised:

|                                                                   | 2024<br>£         | 2023<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| Listed investments and cash held for re-investment (see b. below) | 36,948,301        | 33,856,695        |
| Cash investments (see a. below)                                   | —                 | 4,348,371         |
| Programme related investments (see d. below)                      | 1,650,000         | 1,897,071         |
|                                                                   | <b>38,598,301</b> | <b>40,102,136</b> |

Movements on each category of investment are summarised below:

#### a. Cash investments

|                                       | 2024<br>£   | 2023<br>£        |
|---------------------------------------|-------------|------------------|
| At 1 July 2023                        | 4,348,371   | —                |
| Cash investments reclassified to cash | (4,348,371) | —                |
| Additions                             | —           | 4,348,371        |
| At 30 June 2024                       | <b>—</b>    | <b>4,348,371</b> |

All cash investments are held in the CCLA COIF Charities Deposit fund.

In prior years, part of the balance was classified as an investment income debtor. A presentational prior year adjustment has been made to these accounts to reclassify £812,520 as cash held for reinvestment. This adjustment had no effect on the charity's reported results for the year ended 30 June 2023.

During the year, cash investments were reclassified as cash at bank and in hand reflecting the intention to apply the funds to construction work within twelve months of the year end.

#### b. Listed investments

|                                            | 2024<br>£         | 2023<br>£         |
|--------------------------------------------|-------------------|-------------------|
| <b>Listed investments</b>                  |                   |                   |
| Market value at 1 July 2023                | 33,856,695        | 36,453,245        |
| Disposals                                  | —                 | (3,430,305)       |
| Net unrealised investment gains (losses)   | 3,091,606         | 833,755           |
| Market value at 30 June 2024               | <b>36,948,301</b> | <b>33,856,695</b> |
| Cost of listed investments at 30 June 2024 | <b>28,736,505</b> | <b>28,736,505</b> |

At 30 June 2024 listed investments comprised holdings in the following common investment fund:

|                                        | 2024              |                                          | 2023              |                                          |
|----------------------------------------|-------------------|------------------------------------------|-------------------|------------------------------------------|
|                                        | Market value<br>£ | Percentage<br>of total<br>portfolio<br>% | Market value<br>£ | Percentage<br>of total<br>portfolio<br>% |
| COIF Charities Ethical Investment Fund | 36,948,301        | 100                                      | 33,856,695        | 100                                      |

All listed investments within the above fund were dealt in on a recognised stock exchange.

### 13 Fixed asset investments (continued)

#### *b. Listed investments* (continued)

Investment manager fees are deducted automatically from the portfolio on a quarterly basis and are inherent in arriving at the market value of funds held. The fees deducted are based on a fixed percentage which exceeds that contractually payable by the charity. As such, the investment manager rebates fees to the charity every quarter. The rebates, which amount to £68,827 for the year to 30 June 2024 (2023 – £91,531) are included in these accounts as miscellaneous income.

#### *c. Programme related investments*

|                                       | 2024<br>£ | 2023<br>£ |
|---------------------------------------|-----------|-----------|
| Carrying value at 1 July 2023         | 1,897,071 | 1,895,845 |
| Additions to Oikocredit equity shares | —         | 1,226     |
| Disposals of Oikocredit equity shares | (247,071) | —         |
| Carrying value at 30 June 2024        | 1,650,000 | 1,897,071 |

Programme related investments comprise:

|                          | 2024<br>£ | 2023<br>£ |
|--------------------------|-----------|-----------|
| Freehold properties      | 1,650,000 | 1,650,000 |
| Oikocredit equity shares | —         | 247,071   |
|                          | 1,650,000 | 1,897,071 |

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity owns a property which is leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity has funds of £Nil (2023 – £247,071) held in equity shares of Oikocredit, Ecumenical Development Cooperative Society U.A (Oikocredit). Oikocredit is an ethical investment opportunity which finances development projects benefiting disadvantaged and marginalised people.

### 14 Debtors

|                                                                          | 2024<br>£ | 2023<br>£ |
|--------------------------------------------------------------------------|-----------|-----------|
| Investment income                                                        | 264,263   | 256,023   |
| Other debtors                                                            | 30,572    | 3,744     |
| Prepayments in respect to anticipated additions to tangible fixed assets | 512,253   | 107,058   |
|                                                                          | 807,088   | 366,825   |

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

|                                | 2024<br>£      | 2023<br>£      |
|--------------------------------|----------------|----------------|
| Accruals                       | 72,031         | 114,068        |
| Donations payable              | 101,222        | 66,157         |
| Salaries and related creditors | 14,651         | 21,910         |
|                                | <b>187,904</b> | <b>202,135</b> |

**16 Restricted funds**

|                                  | At<br>1 July<br>2023<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2024<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | 12,404      | (12,404)         | 5,000                      |

|                                  | At<br>1 July<br>2022<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2023<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | —           | —                | 5,000                      |

**17 Tangible fixed assets fund**

|                       | 2024<br>£        | 2023<br>£        |
|-----------------------|------------------|------------------|
| At 1 July 2023        | 7,283,380        | 7,976,975        |
| Net movements in year | 749,639          | (693,595)        |
| At 30 June 2024       | <b>8,033,019</b> | <b>7,283,380</b> |

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

**18 Programme related investments**

|                      | 2024<br>£        | 2023<br>£        |
|----------------------|------------------|------------------|
| At 1 July 2023       | 1,897,071        | 1,895,845        |
| Net movement in year | (247,071)        | 1,226            |
| At 30 June 2024      | <b>1,650,000</b> | <b>1,897,071</b> |

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 13, these investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity.

**18 Programme related investments (continued)**

It is the intention of the trustees of the charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**19 Designated funds**

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

|                            | At<br>1 July<br>2023<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2024<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 15,000,000                | —                        | (562,850)                  | 14,437,150                 |
| Future strategy fund       | 15,000,000                | —                        | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 63,889                    | —                        | 36,603                     | 100,492                    |
| Ministry support fund      | 500,000                   | 174,450                  | (174,450)                  | 500,000                    |
| Building maintenance fund  | 4,709,562                 | —                        | (498,299)                  | 4,211,263                  |
| Malta fund                 | 1,614,692                 | 151,080                  | —                          | 1,765,772                  |
|                            | <b>39,388,143</b>         | <b>325,530</b>           | <b>(1,198,996)</b>         | <b>38,514,677</b>          |

|                            | At<br>1 July<br>2022<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2023<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 15,000,000                | —                        | —                          | 15,000,000                 |
| Future strategy fund       | 15,000,000                | —                        | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 58,719                    | —                        | 5,170                      | 63,889                     |
| Ministry support fund      | 500,000                   | 308,100                  | (308,100)                  | 500,000                    |
| Building maintenance fund  | 5,000,000                 | —                        | (290,438)                  | 4,709,562                  |
| Malta fund                 | 1,579,138                 | 35,554                   | —                          | 1,614,692                  |
|                            | <b>39,637,857</b>         | <b>343,654</b>           | <b>(593,368)</b>           | <b>39,388,143</b>          |

♦ *Retirement fund*

This consists of monies which the trustees have set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Future strategy fund*

This fund consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

## 19 Designated funds (continued)

- ♦ *Society restructuring fund*  
This fund (previously named the International Development Fund) consists of monies which the trustees have set aside to support the work needed as a result of the canonical restructuring of the Society of the Sacred Heart and its international work.
- ♦ *Barat House Hostel fund*  
This fund represents the net assets of Barat House. The assets have been designated for use by the House only.
- ♦ *Ministry support fund*  
This consists of monies which the trustees have set aside for the support of charitable work.
- ♦ *Building maintenance fund*  
This fund represents monies designated by the trustees to support the development of the healthcare hub and also maintain the charity's existing properties.
- ♦ *Malta fund*  
This represents monies which the trustees have designated for the care of the elderly religious in Malta.

## 20 Analysis of net assets between funds

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2024<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2024 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 8,033,019                                | —                       | —                                                | —                        | 8,033,019          |
| Investments                                              | —                    | —                                        | 36,948,301              | 1,650,000                                        | —                        | 38,598,301         |
| Current assets                                           | 4,201,363            | —                                        | 1,566,376               | —                                                | 5,000                    | 5,772,739          |
| Creditors falling due within one year                    | (187,904)            | —                                        | —                       | —                                                | —                        | (187,904)          |
| <b>Total net assets</b>                                  | <b>4,013,459</b>     | <b>8,033,019</b>                         | <b>38,514,677</b>       | <b>1,650,000</b>                                 | <b>5,000</b>             | <b>52,216,155</b>  |

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2023 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 7,283,380                                | —                       | —                                                | —                        | 7,283,380          |
| Investments                                              | 1,066,922            | —                                        | 37,138,143              | —                                                | 1,897,071                | 40,102,136         |
| Current assets                                           | 708,149              | —                                        | 2,250,000               | 5,000                                            | —                        | 2,963,149          |
| Creditors falling due within one year                    | (202,135)            | —                                        | —                       | —                                                | —                        | (202,135)          |
| <b>Total net assets</b>                                  | <b>1,572,936</b>     | <b>7,283,380</b>                         | <b>39,388,143</b>       | <b>5,000</b>                                     | <b>1,897,071</b>         | <b>50,146,530</b>  |

## 20 Analysis of net assets between funds (continued)

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

|                                                        | 2024<br>£        | 2023<br>£ |
|--------------------------------------------------------|------------------|-----------|
| <b>Total unrealised gains included above:</b>          |                  |           |
| On listed investments                                  | <b>8,211,796</b> | 5,120,190 |
|                                                        | <b>8,211,796</b> | 5,120,190 |
| <b>Reconciliation of movements in unrealised gains</b> |                  |           |
| Unrealised gains at 1 July 2023                        | <b>5,120,190</b> | 4,731,694 |
| Less in respect of disposals in the year               | —                | (445,259) |
| Add: net gains arising on revaluation in the year      | <b>3,091,606</b> | 833,755   |
| <b>Total unrealised gains at 30 June 2024</b>          | <b>8,211,796</b> | 5,120,190 |

## 21 Connected charity and related party transactions

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2024, Digby Stuart College Trust owed the charity £18,744 (2023 – £3,744).

Details of donations made to the charity by the trustees during the year are provided in note 10.

There were no other related party transactions during the year requiring disclosure (2023 – none).

## 22 Liability of the member

The Provincial Superior of the Society, by virtue of holding that office, is ex-officio the sole member of the Charitable Incorporated Organisation (CIO) for as long as she holds that office. If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. It is the duty of the member of the CIO to exercise her powers as a member of the CIO in the way she decides in good faith would be the most likely to further the purposes of the CIO. The member shall before exercising her powers carry out such consultations and obtain such consents, if any, as may be required by the Society's Constitutions.

## 23 Post balance sheet events

During October 2024 the trustees began letting one of the charity's freehold properties to tenants in order to generate rental income. As a result, this property will be reclassified as an investment property and restated at fair value from October 2024.

**SOCIETY OF THE SACRED HEART CIO**

England & Wales - Charity number 1179288

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# Accounts

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**Society of  
the Sacred Heart  
CIO**

**Annual Report and Accounts**

30 June 2023

Charity Registration Number 1179288



## Contents

### Trustees

#### Reports

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

|                                    |                                                                                                                                                                                                                    |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Sister Christine Edwards<br>Sister Catherine Lloyd<br>Sister Sheila McNamara<br>Sister Bernadette Porter<br>Sister Lorraine Pratt<br>Sister Stephanie Romaine<br>Sister Marianne Tavares<br>Sister Margaret Wilson |
| <b>Provincial Superior</b>         | Sister Catherine Lloyd                                                                                                                                                                                             |
| <b>Administrative Address</b>      | 3 Bute Gardens<br>Hammersmith<br>London<br>W6 7DR                                                                                                                                                                  |
| Telephone                          | 020 8741 4688                                                                                                                                                                                                      |
| Facsimile                          | 020 8834 7380                                                                                                                                                                                                      |
| <b>Charity Registration Number</b> | 1179288                                                                                                                                                                                                            |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL                                                                                                                                                             |
| <b>Bankers</b>                     | HSBC Bank plc<br>53-55 Uxbridge Road<br>London<br>W5 5SA                                                                                                                                                           |
| <b>Solicitors</b>                  | Pothecary Witham Weld<br>84 Eccleston Square<br>Pimlico<br>London<br>SW1V 1PX<br><br>Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>Barbican<br>London<br>EC1M 6HR                                  |

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

### Investment managers

CCLA Investment Management Limited  
1 Angel Lane  
London  
EC4R 3AB

The trustees present their annual report together with the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year to 30 June 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 37 to 42 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

The Society of the Sacred Heart CIO is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a Constitution dated 23 July 2018.

The CIO was set up to continue the work of the Society of the Sacred Heart Charitable Trust (the predecessor charity), an unincorporated charity (Charity Registration Number 227848). With effect from 1 July 2019, the assets, liabilities, and activities of the unincorporated charity were transferred to the CIO. The unincorporated charity remains a separate entity and in due course will be removed from the Register.

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution. The Society is present on all continents and in 41 countries and is divided into Provinces by country or region. The central government of the Society – the General Council and the Treasurer General – is based in Rome.

The Society established its first community in England in December 1842: it is now present in several locations around England and retains a retreat centre in Wales. In the Province of England and Wales (ENW) we live mostly in small communities. Central to our lives is a rhythm of prayer and reflection in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as we can and to meet the needs of our world – locally, nationally and globally – supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish, and God's love be made known to all.

The international Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members ('RSCJ' or 'Sisters') in the ensuing eight-year period.

At important moments the Society can call a Special Chapter to address specific issues related to governance. One of these took place in November 2021 to begin the work of re-structuring the governance of the Society around the world. This was followed by an Assembly of Provincials in December 2022 which proposed a reduction of the number of Society's Provinces from 27 down to 8.

Further work has continued, and it is now the intention to move towards a period of transition to explore the creation of a new canonical entity comprised of the present provinces of England-Wales, Ireland-Scotland, Central Europe, and the area of Malta. The Provincial Superiors have established a networking group to facilitate communication between the sisters of these provinces and area. They have also established a transition group who will "map out" the civic, financial, and legal implications of this process of becoming a new canonical entity.

### **Introduction** (continued)

The Society's mission priorities of education, spirituality, formation and justice, peace and integrity of creation will be incorporated into the new structures.

The new structure will be held 'ad experimentum' until the General Chapter in 2024, when it will be reviewed, and the final plan ratified.

### **Objectives**

The objectives of the charity cover a range of charitable activities, which include:

- ◆ the support of the members of the Society and their charitable works;
- ◆ the advancement of education;
- ◆ the advancement of the Roman Catholic religion; and
- ◆ the relief of poverty.

### **Activities and performance**

In setting the charity's objectives and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit.

This report gives an overview of our work and pays particular attention to some of the ways in which we have sought to respond to and meet the objectives of the charity. However, much of our work is interwoven, and our core belief in God and our membership of the Roman Catholic Church underpins every aspect of our lives and mission, as does the Society's educational focus, our commitment to being at the service of the materially and spiritually poor and the marginalised, and the effort to meet the needs of our own members in this Province and in the wider international Society.

### **Review of activities**

#### ◆ **Support of the members and their charitable works**

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of the members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual, and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the province – to accompany and support newer members through each stage, i.e., candidacy, noviciate and temporary vows, and through each discernment and transition.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

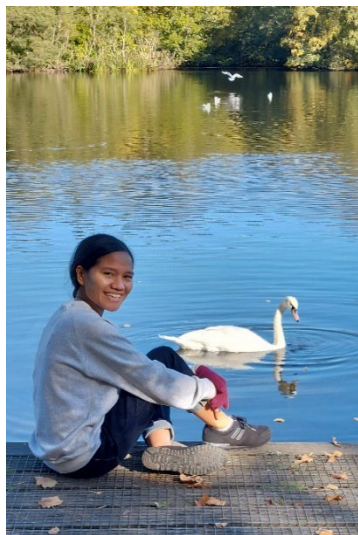
***Initial formation***

There were no candidates or novices in the province this year. Some members of the formation team continued to meet online on a regular basis with their counterparts in the European Initial Formation Teams (EIFT) to plan online activities for candidates, novices and those in first vows known as PTVs (Professed in Temporary Vows) in other European provinces.

Newer members in formation are enabled to attend courses, and meetings with their peers in other congregations and in the Society in Europe, thus helping them to deepen their understanding of religious life and the spirituality and mission of the Society, and to grow in the relationship with God which will sustain them in living our aims and priorities.

Our Director of PTV formation, Stephanie Romaine, accompanied the PTV of the Irish/Scottish Province. This ended with the final profession of Barbara Gartland (IRS) in Rome in March 2023. Stephanie Romaine also engaged with regular monthly Zoom meetings with the PTV directors in other provinces in Europe and attended a formation meeting in Poznan, Poland.

Newer members in initial formation from other provinces of the Society visited the province of England-Wales to study English and visit our sisters. During the course of the year, we hosted sisters from Colombia, India and Indonesia.



**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

***On-going personal development of the members***

Each RSCJ is responsible for her on-going development at every level and the province tries to support and offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological, and emotional levels. Individual members of the province have followed sabbatical programmes, some in established centres, others through a programme they have designed with the approval of the Team.

The Society offers a renewal programme in Rome for Sisters aged between 55 and 75. Having benefitted from this programme, Stephanie Romaine and Lorraine Pratt both later contributed input and support to subsequent international renewal programmes.

In 2021, the International Society began a regular prayer for peace. Our sisters regularly joined other RSCJ from all around the world to pray for peace in Ukraine and other places of conflict.

Sheila McNamara, our province JPIC (Justice Peace and Integrity of Creation) link, keeps members regularly connected with resources from the Society's International JPIC Learning Hub. The international RSCJ team responsible for this hub, develop materials for prayer and study and disseminate them across the congregation.

***Networking***

RSCJ across the entities of the new Province have used Zoom to connect with each other in a 'Getting to know you' process. These sessions are held by Zoom regularly. Carol and Mary in Boleyn community comment that 'It's good to be involved with our European Sisters in a new way and, now that Brexit has taken our countries further apart, it's good to be able to redress it in some small way. The zoom sessions have been good, and we look forward to more ongoing contact.'

Many sisters have participated in training and on-going professional development. Throughout the year, safeguarding training was provided both in-house and through the Religious Life Safeguarding Service (RLSS) for trustees and sisters engaged in the ministry of spiritual accompaniment. Some sisters continued aspects of their professional life using Zoom or Microsoft teams.

For the Provincial Superior and her Council, face to face visits to individuals have now returned largely to the pre-pandemic level. That said, a certain amount of provincial business is still conducted by Zoom, reducing the need for costly travel and enabling those with physical challenges to continue participating in provincial business.

The Internet enabled many sisters to maintain links with each other and participate in reading and reflection groups. Meg writes 'membership of a Reading Group enabled participation in the province reflection on community, which was challenging and enlightening. Preparation for, and participation in and follow up for regular meetings of the Group provide thought stimulus and insight. Meetings are usually through Zoom, occasionally face to face'.

In May 2023, the Spirituality Centre at Llannerchwen, Brecon began to work to move its website and booking system to the main province website site. The website has been a useful means of communication in our 180° celebrations which began in December 2022. Our safeguarding lead is currently discussing ways in which the website can support her work.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

**Networking** (continued)

In a concerted effort to revamp our technology and hardware new providers were appointed to resource and support our IT needs.

Our Province health advisor, Mrs Susan Houston, worked alongside many sisters in the wider province community to ensure provision of adequate health care and support and to help others identify at an early stage when their changing health needs required adaptations or a move to more appropriate accommodation or into Duchesne House, our care home.

**Support for those in leadership**

During the year, members with specific responsibilities, such as the Provincial Superior and members of her Council, continued to meet on-line or in person, with their European counterparts. These meetings which usually aim to address matters of common concern or interest, became real opportunities for personal and group support particularly for provincials.

In December 2022, the Provincial attended the assembly of all the Society's provincials in Málaga, Spain. This meeting confirmed the re-structuring of new provinces and consequently the ENW leadership now meet frequently on Zoom with their counterparts in IRS and CEU as part of this process. Face to face meetings will follow in early 2024.

We have continued our work related to our legacy process, focussing on the areas sisters had identified of priority in relation to the future planning of the use of our resources: Our educative mission, formation, ecological justice, our concern for issues of social justice and spirituality. Work began to identify areas of those priorities which we wanted to support with our resources and how we might best be able to do that.

Throughout the year we have worked on the outcome of consultations and discernments in relation to housing and mission priorities. Work has begun on the decision to build ten self-contained flatlets around a common space on the Duchesne House campus site currently occupied by New House in Roehampton. This will provide a form of intermediate accommodation for sisters who need more support but who are not yet ready for care in Duchesne House. Once ready for occupation, it will enable the gradual release for sale of properties unsuitable for the needs of the current membership. A project team chaired by an RSCJ, and a lay project manager are working together with the appointed architects.

In June 2022, the Province of England/Wales held the first face to face residential provincial assembly in three years. We used part of the meeting to review and reflect on the experience of the pandemic, to catch up with each other and think about our future.

In addition, the Provincial Council presented the initial building plans for the Roehampton building project for consultation. This meeting was followed up with a similar gathering with the province in July 2023.



**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

**Governance**

In summer 2023, the Society recruited new staff into key posts including Executive Director and Executive Assistant. We also recruited more help with aspects of our bookkeeping and accounting and continued to work with lay financial advisors.

The Provincial Council assisted by FAC and the Investments and Long-term Assets committee, have been diligent in ensuring our commitment to ethical investments.

**Safeguarding**

Along with other religious orders in the Church, the Society has continued to support the Roman Catholic Church's "One Church" approach to safeguarding children and vulnerable adults. The Provincial and trustees engaged with the new Religious Life Safeguarding Service (RLSS) and appointed a new lay safeguarding officer, Liz Jones following the departure of Lisa Lucas. This appointment is 2.5 days per week provides more support to the Provincial and Management staff. The new named trustee responsible for safeguarding presented a report and update on our safeguarding provision to the Trustees in February and June 2023.

Early in 2023, Liz reviewed the safeguarding procedures of the province and of Duchesne House. This enabled her to identify the strengths and needs of the province and its staff in relation to safeguarding. Before her departure, Lisa conducted a full day training for trustees and Liz is working towards preparing the province for audit by the CSSA (Catholic Safeguarding Standards Agency) in line with their publication of the eight safeguarding standards that religious need to comply with. Liz will work closely with our managers and ensure that our processes, policies, and training records are established, reviewed and up to date.

**Duchesne House**

We offer care to our sick and frail sisters in Duchesne House, a 16-bed unregistered care home (run by an experienced manager), Melody Marshall who was appointed in June 2022. Duchesne House exists to provide care for members of the Society, none of whom have resources of their own and all of whom have dedicated their lives to the educative mission of the Society of the Sacred Heart. The care manager and her staff ensure that members of the congregation receive the appropriate level of care they require and enable sisters to live life as fully as possible until the end of their lives.

Duchesne House welcomed Annette Cauneen in November 2022 when she was appointed in a 'dual role' divided between activities co-ordinator and receptionist. With a background in fundraising and events management, it swiftly became clear that Annette not only has a natural rapport with the sisters of Duchesne House but excels as a friendly and capable multitasker. In March 2023 Annette's role was transferred to full time Liturgical and Activities Coordinator. Annette and Pauline have worked together as a dynamic team, coordinating a wide range of trips, events, and activities. Duchesne House is fortunate to have such dedicated, imaginative, and adaptable staff to support our sisters' continued engagement.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

The experienced activities coordinator, Pauline Ramsey, continued the broader programme of activities and excursions on a part-time basis. Pauline holds a similar role with the Medaille Trust.



*Sr. Mary Totten & Sr. Mary Gennery with Annette Cauneen & Pauline Ramsey*

*Isabella Plantation, Richmond Park*



*Sr. Mairead Quigley & Sr. Mary Grant  
London Wetlands Centre*

At the beginning of the year 2022-2023, the Duchesne House community numbered 15 sisters. During the year, one sister died, and several others had short spells there to recuperate from treatment and surgery.

As Duchesne House is not currently registered with the Care Quality Commission (CQC), the Society organised an independent audit of standards by an external assessor. This was completed in summer 2022. The report produced was very affirmative and an action plan was developed to improve and build upon the positive messages.



Within the house, the community remain active and engaged with the world around them welcoming visitors and continuing to live their ministry in many ways. They are encouraged by the pastoral team and care manager to continue to contribute and live the mission of the Society in whatever way they feel able.

*Sister Mary Wright (pictured) makes and sells Christmas cards, and the proceeds go to Water Aid (see picture).*

**Review of activities** (continued)

♦ **The advancement of education**

The Society of the Sacred Heart was founded in Paris in 1800 in the aftermath of the French Revolution, with the aim of aiding the rebuilding of a fractured society through the Christian education of girls. In this Province we expanded from providing schools for girls to running coeducational primary schools, secondary schools, and teacher training colleges, one of which is now incorporated into the University of Roehampton. Over the past fifty or so years, however, as our understanding of education broadened, many of our sisters moved out of working in schools, with several re-training and working in related fields, and newer members discerning different ministries according to their background and skills.

Whatever we do, there is a strong educational dimension to the lives of all the members which permeates all our ministries, service, and relationships. This implies a willingness to be open to accept, listen to and learn from others and a generosity of spirit which leads each one to give freely from her experience and wisdom, desiring the growth and development of the other. For many, this daily effort to live in genuine relationships of mutual interaction is lived out in a variety of contexts and in collaboration with many other people so that together all may grow.

We no longer have sisters teaching in formal education but some work in informal settings or as school governors and trustees. RSCJ constitute the body of the Academy Trustees at the Sacred Heart School in Hammersmith and sisters regularly contribute to interview panels and staff formation at both Hammersmith and Fenham. Members of the Society are also represented in groups related to the governance of the University of Roehampton.

***The Sacred Heart Schools and College Network***

September 2022 saw a significant change in the Schools and College Network with the appointment of a full time Network Coordinator and the establishment of a physical office for the Network in Bute Gardens, Hammersmith. The office has increased its work capacity from 3.5 days to 6.5 days a week with one full time and one part time post.

A physical office space provided an ideal opportunity to re-organise both the physical and digital resources of the Schools Network.

Two main online platforms were established, to provide resources for schools and colleges: Padlet serves as a digital noticeboard and SharePoint is used as a digital library by the Network office. These resources are organised under the headings of the Apostolic Priorities of the Society – Education, Spirituality, Formation and JPIC (Justice, Peace and Integrity of Creation).

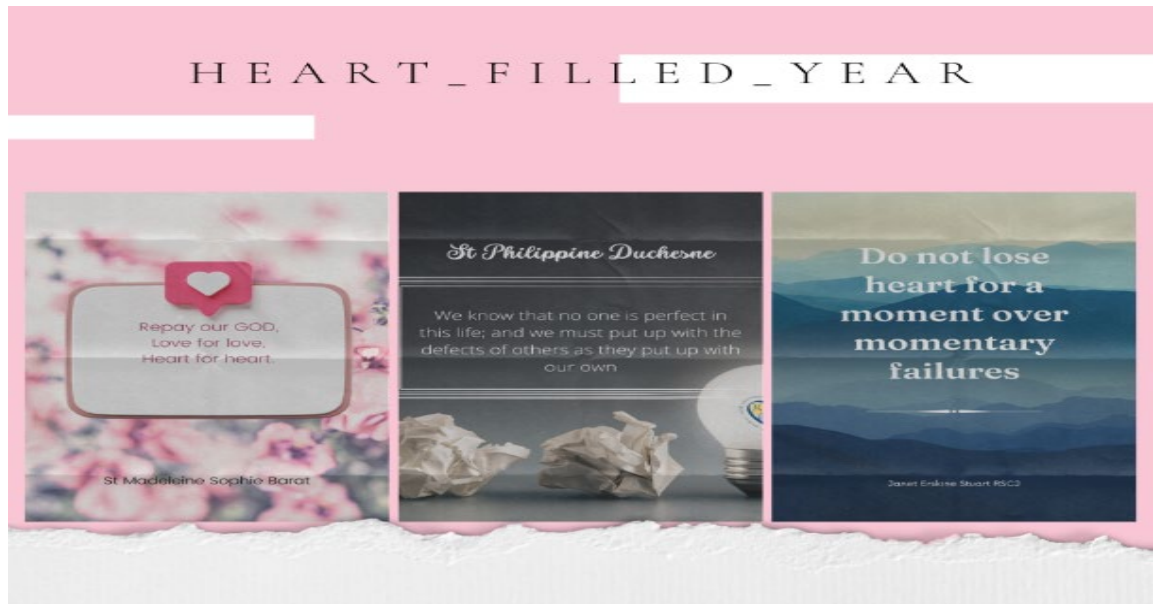
It has been a priority to build the Formation to Mission materials produced and available to the schools and college. An audit was carried out with the Headteachers and Goals Coordinators to establish where there was greatest need. A focus for the office during the year will be the preparation and dissemination of formation materials (including leaflets, films, and presentations) for school staff for September. In-person training for Governors has taken place in one school and further bookings have been made for the new academic year.

**Review of activities** (continued)

♦ **The advancement of education** (continued)

♦ ***The Sacred Heart Schools and College Network*** (continued)

The Network has also sought to find new ways to reach school communities through social media. This has included a new Instagram account which posts daily quotations and prayers and reaches teachers, students and RSCJ around the world.



The Network has hosted several conferences this year – including the first *HeartFest* student gathering since the pandemic. Students from across the 5 schools gathered in the Youth Village, County Durham, in September to reflect on the Goal of Community and what it means to be a child of the Sacred Heart. There have also been two residential conferences for Goals Coordinators and Chaplains (held in Woldingham and Fenham) this year.

Whilst these focus on the Goals, they also have a spiritual component for those attending including input from Margaret Wilson RSCJ and Lorraine Pratt RSCJ.



*Leading from the Heart  
Heads Conference  
March 2023*

**Review of activities** (continued)

♦ **The advancement of education** (continued)

***The Sacred Heart Schools and College Network*** (continued)

The Headteachers also gathered for a residential conference in March 2023 at Woldingham School. The focus on this was an introduction to the new Apostolic Priorities of the Society and how these might feature in schools.

The schools in our Network have been very appreciative of the funds made available from the Society's Ministry Support Fund used to support the most vulnerable pupils and their families. The ongoing cost of living crisis has brought significant challenges to many families. These funds are used in emergencies ranging from school uniform for Ukrainian refugees to Christmas gifts for pupils that enabled their parents to prioritise on food and heating costs during the winter.

One headteacher commented that parents were more willing to accept the financial support knowing that it came from the sisters and wasn't coming out of school funds needed by other children.

In December 2022, the year of celebrations marking the 180th anniversary of the arrival of the RSCJ to England and Wales began. The schools and college have engaged with this special year in many ways. They have conducted 180 hours of service and been involved in a joint fundraising project to raise funds for a new Sacred Heart Primary school in Eldoret, Kenya. The schools and college marked the 'birthday' of the province on the 8 December in many special ways and all came together for the province's celebration mass on 17 June, forming a Network Choir. There were joint gardening projects and later this year there will be formal tree plantings at each site.



*Tree Planting to celebrate 180 years of the Society of the Sacred Heart at Fenham Primary School, with left to right:*

*Srs Catherine Lloyd, Sheila McNamara, Doreen Bell, Margaret Wilson, Stephanie Romaine*

The Network continues to consider its role in relation to other Sacred Heart Schools' Networks. There has already been considerable collaboration this year with the Irish / Scottish / Maltese province and the European Network. In October 2022, Vicky Lorenzato facilitated the annual European Teachers' Conference in Joigny which was attended by colleagues from the Fenham schools as well as facilitating several projects across the European schools this year including online student JPIC conferences and prayer initiatives.

***University of Roehampton***

Catherine Lloyd RSCJ in her role as Provincial Superior, regularly attends meetings of the Foundation Liaison Group which is made up of representatives of the providing bodies of the constituent colleges of the University of Roehampton.

## Review of activities (continued)

### ♦ The advancement of education (continued)

#### *University of Roehampton (continued)*

Following the pandemic, the Society re-established Digby Stuart Liaison Group which has two main objectives; To help maintain and develop the relationship between the Society, the College, and the wider University community and to help the Society to understand how to go on enriching the community life of the college and the work of the chaplaincy in ways that reflect the values and ethos of the Society of the Sacred Heart. This group is involved, along with others in planning for the celebrations for the 150th year of the Digby Stuart College.

#### *The Sanctuary scholarship*



Since September 2020, the Society has provided funding to the University for sanctuary scholarships. This money is awarded annually to students whose access to undergraduate study at the University of Roehampton is impacted by their immigration status. The Society is involved in the process of selecting the recipients.

Recipients have written of their struggle with mental health while they wait to hear the outcome of asylum applications. Being able to study contributes to creating stability in their otherwise unsettled world. In summer 2023, our first sanctuary scholars graduated from Roehampton, having completed their degrees.

*Sister Cath meets with Sanctuary scholars.*

Once again grants from our Missionary Support Fund have helped build up and support educational initiatives at home and abroad. In March 2023, we contributed funds to the Pax Christi Peace Education Fund, the KLS Love to learn project, which supports and mentors learning and literacy in prisons, and the Butterfly Tree project, where our grant was used to support HIV education and build shelters for mothers and children in Zambia.

RSCJ are also involved in other educative activities. Lorraine Pratt continues to teach dance and train other dancers. Margaret Wilson and Bernadette Porter support the work of the network of schools. Cath Lloyd facilitates the work of other congregations and assists groups with strategic planning.

### ♦ The advancement of the Roman Catholic religion

Since its foundation in 1800 the “end and mission” of the Society of the Sacred Heart has been to make known the love of God, and all members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying Gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

### Review of activities (continued)

#### ♦ The advancement of the Roman Catholic religion (continued)

Some of our members carry out their ministries in specifically Roman Catholic contexts, but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charity. Members contribute to the achievement of this objective through their work in:

- ♦ **Spirituality ministry** – spiritual and retreat direction, formation in faith and prayer, retreat centre.
- ♦ **Chaplaincy ministry**
- ♦ **Parish ministry**
- ♦ **Ecumenical and inter-faith dialogue and collaboration and the facilitation of faith groups.** This is often an underlying aspect of our work in spirituality in general, and includes activities in multi-cultural, multi-faith settings such as Forest Gate in East London.

#### *Spirituality ministry*



Several members of the province engage in ministry as spiritual and retreat directors. This often takes place in an ecumenical context and in retreat centres run by others. This year Stephanie was involved in Retreats in Daily Life with three different groups and continued to offer ongoing spiritual accompaniment to others. For her it is a way of “showing an interest in and valuing each individual and his or her life and as an educator, sometimes suggesting ways they can develop their spiritual lives.” Other sisters worked with individuals or on teams in on-line or face to face spiritual accompaniment.

Stephanie participated in bereavement support ministry and offered spiritual accompaniment as part of an Emmaus Team. and Sheila continued to teach on the ongoing professional development course for spiritual accompaniers offered by St Anthony's Priory in Durham. Her on-line work also extended to retreat giving and supervision.

Lorraine led dance workshops in Pamplona, Madrid, Budapest and Placeres and led one every 6 weeks in

London and attended one for herself in Germany. She has also been part of the 180 years Organising Group.

**Review of activities** (continued)

♦ **The advancement of the Roman Catholic religion** (continued)

***Spirituality ministry*** (continued)

Our large meeting space in Newcastle has been used by school chaplains and our schools network personnel to plan retreats and reflections.



Our own spirituality centre, Llannerchwen, in Brecon, Wales, offers opportunities for people from all walks of life to enjoy silence and solitude, with spiritual accompaniment if desired. The Centre has been steadily building up a mixed clientele of new visitors and returning visitors since the pandemic. The team providing retreats are mixed lay and religious and the visitors are from a variety of faith traditions.

In early 2023, a considerable amount of maintenance work was undertaken, and more administrative help was put in place to support the resident community.

***Chaplaincy ministry at Digby Stuart College, Roehampton University***

For some years, the Society has funded the post of the Digby Stuart Chaplaincy Community worker. This post has been important in helping to build up the Barat House Intentional Christian Community, which is an ongoing commitment in partnership with Southlands College.

This community was impacted by the pandemic and worked throughout 2022 to rebuild. In September 2022, the community numbered five students and that number increased throughout the year. In spring 2023, the Society gave permission for students to stay throughout the summer as well as during academic terms.

With the Society's initial funding mandate coming to an end, the provincial team initiated a discussion with relevant partners around the need for a project review of this model of intentional Christian community. This began in December 2023 and is currently ongoing.

***Parish ministry***

All sisters are parishioners in their local Catholic churches and contribute to the life of these faith communities in many ways. Some of our sisters participate in faith sharing groups, as readers and eucharistic ministers. Many sisters have been involved in the Catholic Church's synodal process in their parish communities.

♦ **The relief of poverty**

The Society's commitment to the poor and the marginalised and to justice, peace, and the integrity of creation, permeates our lives and choices as individuals, local communities and as a province community. Much of our commitment to this aim is fulfilled through individual or local community involvement with a specific charity or project. Some examples of these are outlined below.

Most individuals and communities in the province confirmed their commitment this year to support their local foodbanks with regular donations of food and financial support.

**Review of activities** (continued)

♦ **The relief of poverty** (continued)

We also offered support to pupils and families in food poverty in the four state schools in our network. This year's Ministry Support Fund also offered financial help to several charities addressing food poverty.

The Society founded FAR, (the Fenham Association of Residents) in Newcastle upon Tyne many years ago. In March 2023, the Society made a significant donation to FAR to enable them to plan for their future in the longer term. FAR offer support to local residents ranging in age from pre-school to ninety years.

The province's Ministry Support Fund (MSF) gives grants every year of varying amounts to projects and organisations nominated by RSCJ and with whom we have some association. Some of these are local projects. This year we again donated to the Glass Door project which is one of our local homeless charities in West London and to the Hammersmith and Fulham branch of the Trussell Trust, which funds foodbanks. Our gift to Glass Door was used to enable homeless men and women to access night shelters and hot meals and to enable case workers to spend more time working with clients to help find routes out of homelessness to a more stable future which includes finding employment. Through MSF, Llannerchwen supported the Ebbw Vale Community Pantry.

This year, the MSF fund also supported projects which address the needs of vulnerable children and families and several projects addressing the needs of migrants and refugees in different parts of London and the Northeast. We regularly give money to the Cardinal Hume Centre to support the homeless hostel, to create a safe space for mothers facing domestic violence and to support staff working with migrant and immigration issues. Regular donations from MSF are given to the Passage, CAFOD and the Medaille Trust.

In addition to the Ministry Support Fund, this year, the province made "one off" emergency donations to sectors that are experiencing great need. These have included charities working with victims of disaster, the homeless, migrants and refugees as well as contributions to special appeals of the international Society.



Throughout the year covered by this report, Silvana Dallanegra continued to work as a staff member with Caritas, the social action agency of the Diocese of Westminster. MSF has enabled Caritas to go on supporting parishes and projects.

Before the pandemic, our sisters in Boleyn Road, a community based in an area of urban deprivation in the East End of London, had hosted a refugee through the Jesuit Refugee Service and taught English to migrants. Both these services had to discontinue during the pandemic but with

the gradual lifting of restrictions they have continued to find ways to build up a sense of neighbourhood in a multi-cultural, multi-faith setting.



**Review of activities** (continued)

♦ **The relief of poverty** (continued)

***Work with Victims of Human Trafficking and Slavery***

The Society's relationship with and support of the Medaille Trust continues. Sister Jane Maltby RSCJ is Chair of the trust which has strong historic connections with Catholic Religious. The Society continues to provide a property which currently houses 26 women and 9 children who are awaiting decisions on their application for asylum on the grounds of being trafficked. Such applications can take over 2 years and the Society recognises the importance of safe secure accommodation with dedicated staff. Recognising the need to keep the women safe and comfortable, whilst maintaining its own property, the Society this year approved further expenditure for maintenance and updating of this building.



**Future plans**

- ♦ We will continue to collaborate with the General Council, International Planning Commission, and other provinces of the Society to implement the decisions concerning the re-structuring of the governance of the Society and the re-distribution of resources, especially those endorsed by the Assembly of Provincials in December 2022
- ♦ We held our Provincial Chapter in November 2023.
- ♦ We will begin to prepare for the General Chapter in August 2024.
- ♦ We held the meeting of the leadership teams of the new canonical entity in Vienna, which took place in January 2024.
- ♦ We will continue the work of reviewing the province's strategic plan for the use of our assets and resources for the sake of mission and make adjustments as needed. We will endeavour to move on our planning for the long-term use of our assets and our thinking around our legacy.

**Future plans** (continued)

- ◆ We will continue to implement our decision regarding the Berrymead housing project for 10 individual flats in Roehampton on land adjacent to Duchesne House. These purpose-built flats will enable Sisters to retain their independence in accommodation and deal with changing needs as and when they occur.
- ◆ We will consider our property requirements in the near- and long-term future and the financial implications of this including resources required for upkeep and maintenance.
- ◆ We will complete the work of restructuring our administration and seek to appoint people to key posts and ensure succession planning.
- ◆ With our members, and the advice of the Finance Advisory Committee, the Investments and Long-term assets Committee and Trustees, we will implement the decisions made concerning the structures we need for the oversight, management, and distribution of our financial and material resources in the province and for the provision of governance.
- ◆ We will work with our safeguarding lead and other relevant bodies to implement our safeguarding action plan in preparation for audit by the Catholic Safeguarding Standards Agency.



## **Relevant policies**

### **♦ Investment policy**

The charity has a portfolio of listed investments which had a value of £33,856,695 at 30 June 2023, along with cash investments of £3,535,851.

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

The listed investments are managed by CCLA Investment Management Limited, which operates within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees considers income requirements, the risk profile and, in respect to listed investments, the investment manager's views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five-year period. The investment policy requires the investment manager to take account of the ethical, social, and environmental concerns of the trustees as expressed in the policy.

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2022-2023 has been met.

The performance of the charity's listed investments has improved compared to last year with the portfolio giving a capital return of 2.29% (2022 – minus 5.49%). The income yield for the year was 3.14% (2021 – 2.88%).

The charity has funds invested with Oikocredit, Ecumenical Development Co-Operative Society U.A. This is an ethical investment which is not held specifically to make a financial return but is held in support of development projects which benefit disadvantaged and marginalised individuals. As a result, these funds are deemed programme related investments and are included on the balance sheet at cost. The cost of the funds held at 30 June 2023 was £247,071 (2022 – £245,844).

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent, and another property that is leased to the Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. These represent properties which are not held specifically to make a financial return and directly further the charitable purposes of the charity. As a result, these properties are considered to be programme related investments and have been included on the balance sheet at deemed cost, less any provision for diminution in value, of £1,050,000 and £600,000 respectively.

The trustees are satisfied that the charity's investment objectives are being met.

**Relevant policies (continued)**

♦ **Donations and grant making policy (continued)**

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

During the year £376,357 (2022 – £233,100) was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

♦ **Fundraising policy**

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received by the charity it would be handled by a senior member of staff or trustee.

**Financial review**

The Province now has 40 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity, any earnings have been covenanted to the charity. However, as the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. With 90% of the Province at retirement age, the investment income will continue to be relied upon by the CIO to supplement the decline in salary and pension income. Sufficient funds need to be built up by the CIO to ensure that investment income will guarantee the continuance of ministries, development of the Novitiate, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment "to radiate the very love of the Heart of Christ through love and service" (Society's Constitutions Para 7).

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year's results can be found on page 34 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £2,313,090 (2022 – £2,139,785 ). This included surpluses on the disposal of tangible fixed assets of £176,082 (2022 – 120,108).

Expenditure totalled £3,421,066 for the year (2022 – 3,421,066), of which £437,743 (2022 – £298,100) related to donations made to other charities (including the annual contribution to the Generalate).

**Financial review** (continued)

Expenditure during the previous year included an impairment charge of £615,729 on one of the charity's properties in southwest London; there were no impairment charges during the year ended 30 June 2023.

Net expenditure for the year amounted to £894,451 (2022 – net expenditure of £1,281,280) before net investment gains of £903,450 (2022 – net losses of £2,116,252) which gave rise to a net increase in funds of £8,999 (2022 – a net decrease in funds of £3,397,532).

**Reserves policy**

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work and the on-going commitment to support members of the Society, the level of free reserves should be approximately equal to one year's expenditure on unrestricted funds.

The trustees are of the opinion that this provides sufficient flexibility:

- ◆ to cover temporary shortfalls in income due to timing differences in income flows;
- ◆ to ensure adequate working capital for core costs; and
- ◆ to allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

**Financial position**

The balance sheet shows total funds of £50,146,530 (2022 – £50,137,531) and of this, £7,283,380 (2021 – £7,976,975) represents the tangible fixed assets used by the Sisters. The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day-to-day work of the charity. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Similarly, those investments classified as programme related investments are represented by a separate designated fund – the programme related investments fund. These investments comprise land and buildings, which are owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

An amount of £15,000,000 (2022 – £15,000,000) had been designated by the trustees to provide for the Sisters in their retirement. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of whom will need increasing support and increasingly expensive residential and nursing care. There is also a designated fund of £1,614,692 (2022 – £1,579,138), designated to care for the elderly religious in Malta.

**Financial review** (continued)

***Financial position (continued)***

A future strategy fund of £15,000,000 (2022 – £15,000,000) has been established and consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

The building maintenance fund of £4,709,562 (2022 – £5,000,000) has been set aside to support an action plan for the charity's properties, several of which are in need of substantial maintenance work.

The ministry support fund will be used to support charitable work and at 30 June 2023 amounted to £500,000 (2022 – £500,000), whilst the society restructuring fund of £2,500,000 (2022 – £2,500,000) will be used to support the international work of the Society. The Barat House Hostel fund of £63,889 (2022 – £58,719) represents the net assets of Barat House and has been designated for use by the House only.

Funds restricted to specific purposes amounted to £5,000 as at 30 June 2023 (2022 – £5,000).

Funds which are available to support the work of the Sisters in the future are shown on the balance sheet as general funds and therefore amount to £1,572,936 (2022 – £621,854).

The trustees are aware that this level of reserves is below the amount required by the above policy but are also aware this has been caused by stock market volatility.

***The charity's assets***

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

**Governance, structure and management**

♦ **Trustees**

On 1 July 2022, Sister Catherine Lloyd began her second three-year mandate as Provincial Superior, supported by her Provincial Council – Sister Marianne Tavares, Sister Sheila McNamara and Sister Margaret Wilson.

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. The trustees are selected from the members of the Province of England and Wales based on the skills and knowledge they can bring to the trustee role. All have previous experience of being a trustee and have received information and training on the role and responsibilities of trustees. At any one time there must be a minimum of six trustees but not more than twelve trustees.

## Governance, structure and management (continued)

### ♦ Trustees (continued)

Brief biographic details of the trustees in office during the year to 30 June 2023 are as follows:



**Sister Christine Edwards** has held a variety of teaching posts during her professional career and has also engaged in youth work. Her last post was as chaplain at a diocesan girl's school in London.

She was a member of the Provincial Team for several years until summer 2022 when she retired from this position. Chris serves as one of the Society's representatives on the Council of the University of Roehampton.



**Sister Catherine Lloyd** has a background in formal education and ministry with young people working at different times and places as a teacher, Head of Department and Head of Middle School. After training in spiritual accompaniment and counselling, she worked as a School Chaplain at the Sacred Heart High School in Hammersmith. Cath spent some years in the Society's mission in Indonesia. On returning to the UK, she worked in the area of Formation for her own congregation and for the Conference of Religious of England and Wales. This was followed by eight years of international service on the General Council of her congregation in Rome, after which Cath returned to the UK and her ministry of facilitation in the UK and abroad. Cath took up post the of Provincial in July 2019.



**Sister Sheila McNamara** has worked for many years in Primary Education as a classroom teacher, Deputy Headteacher and Acting Headteacher in schools on Tyneside and North London. Following further study in Dublin in 2000, she continued her journey in education as Diocesan Primary Schools Adviser first in the Archdiocese of Westminster for six years and then in the Diocese of Hexham and Newcastle for seven years. Sheila's present ministry is in spirituality, and she works part time in an ecumenical Spirituality Centre in Durham accompanying others on their spiritual journey, leading days of reflection and retreats. She has served on a number of Provincial Committees and is at present a member of the Provincial Team.

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

♦ **Trustees** (continued)



**Sister Bernie Porter** Sister Bernadette Porter worked in our schools of Woldingham and Fenham, before moving into the Education Department of the then Roehampton Institute. After six years of teaching undergraduate and PGCE students, she was appointed College Principal of Digby Stuart, a role she held for ten years. Moving from Pro-Rector to Vice Chancellor, she led the Institution to attain independent University status in 2004. Bernie served as Treasurer General of the Society of the Sacred Heart in Rome between 2010-2021. In this role she handled the financial assets of the Congregation, as well as overseeing its legal structures across the world. She has held a number of Trustee roles over the years, both in formal and informal educational settings.



**Sister Lorraine Pratt** has spent almost all of her life working in education: as Head of Department in the Sacred Heart Comprehensive School in Newcastle; as a Diocesan Youth Officer; as a school chaplain; and then as Chair of Governors at the Sacred Heart School in Hammersmith, school chaplain and living with the student community both in Oxford and London. At present, she is a member of the province initial formation team and works with adults teaching dance meditation as a medium for both enjoyment and spiritual growth.



**Sister Stephanie Romaine** has taught in both Tunbridge Wells and Woldingham boarding schools from 1971-86 and been part of the handover to lay management in both schools. From 1987-90 she helped set up and then worked as the administrator in a Neighbourhood Mediation Scheme in Leeds where she was also involved in training mediators. At the same time, she began training as a counsellor and then as a counselling supervisor and after several years practice, completed her training with a psychotherapy qualification. As a supervisor she worked with counsellors in a drug and alcohol project, and with trainee counsellors in two independent charities as well as offering counselling to several employee assistance programmes within her own private practice. From 2001-07 she was a member of the Provincial Council. In 2006 she moved to Brecon and with one other Sister helped run the Society's retreat centre, LLannerchwen, for 10 years. During that time Steph trained as a spiritual director. Since leaving Brecon in 2016 she has continued to offer spiritual direction to deacons, ordinands, and other lay people in the Northeast of England. She has had two terms of involvement in the training of the Society's young Religious.

## Governance, structure and management (continued)

### ♦ Trustees (continued)



**Sister Marianne Tavares** has spent most of her working life as a health care professional in the NHS or equivalent – as a nurse in hospitals, district nurse in the community, district nurse manager, complementary therapy lead in palliative care in hospices and hospitals in the U.K. and Canada. Working in palliative care included providing psycho-spiritual support to patients and families within the boundaries of her role. She is currently a member of the Provincial Team and has pastoral responsibilities in Duchesne House.



**Sister Margaret Wilson** entered the Society after completing her Teacher Training in Newcastle upon Tyne. She taught in Sacred Heart schools in Tunbridge Wells and Woldingham before moving to Hammersmith Sacred Heart High School in 1977 to become Head of the Religious Education department. During this time, she completed a Masters in Religious Education at Boston College. Margaret has worked in formation and in Provincial administration in the Society. For the last three years she has been a member of the Provincial Team.

### ♦ Trustees' responsibilities statement

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).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year 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 these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in 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 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 accounts; and
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

♦ **Trustees' responsibilities statement** (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

♦ **Management**

The trustees have the final responsibility for the policies, activities and assets of the charity. They meet annually to review developments with regard to the charity and to make significant decisions. The day-to-day management of the charity's activities and the implementation of policies are delegated to:

- ♦ the trustees who, with the Provincial Superior, form the Provincial Council; and
- ♦ the Finance Advisory Committee; and
- ♦ the appropriate senior staff.

♦ **Key management personnel**

The trustees consider that they, together with the Executive Director, Finance and General Manager and the Care Manager of Duchesne House comprised the key management of the charity during the year in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All trustees are members of the Society and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of the Finance and General Manager and the Care Manager of Duchesne House is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives.

♦ **Connected charity**

Details of the connected charity are given in note 21 to the attached accounts.

♦ **Risk management**

Risk is regularly discussed at trustees' meetings, the Investment Committee and Finance Advisory Committee. The following risks have been identified as on-going:

The Society realises that it's increasing reliance on professional lay colleagues means that recruiting and retaining key staff is essential.

The increasing cost associated with needing more staff to undertake functions previously held by sisters is something that is constantly monitored.

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

### ♦ **Risk management** (continued)

The Society has a large property portfolio which requires ongoing maintenance and re development. Much of this accommodation is no longer suited to sisters living needs, and this needs to be replaced with purpose built accessible accommodation.

The Society's investment portfolio is likely to be negatively impacted by the changes to the economic climate and increased costs that are in part due to the war in Ukraine and the impact of that.

The need for increased support to sisters both within community houses and Duchesne House is something that is constantly being reviewed by the provincial Team and there is a realisation that this will increase further.

### ◇ **Safeguarding**

Members of the Society work with children and adults, including older people, and the trustees recognise the importance and necessity of ensuring the protection and safety of all those that the charity will serve. This means that Sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

Staff employed at Duchesne are also required to obtain clearance from the Disclosure and Barring Service and undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The province is currently aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative. Along with other religious orders the Society is committed to the "one church" approach to safeguarding which will involve participating in new safeguarding structure being adopted for religious orders in the Catholic Church, the Religious Life Safeguarding Service.

### ◇ **Loss of key staff**

The people who work for the charity will be a key resource and the charity will do all it can to ensure that its employment practices reflect current best practice and fulfils its duty of care to employees. The charity is reliant on a small number of key staff including, the Care Manager at Duchesne House, HR Advisor and Healthcare Advisor. The latter role was developed to support Sisters who wish to continue to live independently in communities outside Duchesne House for as long as possible, by providing them with confidential healthcare advice and support. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives. Wherever possible, the charity will aim to enable staff to develop their skills and knowledge so as to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity.

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

◆ **Risk management** (continued)

◇ ***On-going needs***

The refurbishment of Duchense House is now complete other than landscaping the grounds. Following this a consultation took place within the province, which has revealed the need for accommodation for those who require some measure of support but are not ready to join the care home community. A community house within the grounds of the care home has been identified and a working group has been established to refurbish the property to meet the needs of its future residents.

◇ ***Age profile of the members and over-commitment of a few in administration***

An analysis of the age profile of the members of the Society shows that the average age at 30 June 2023 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the older Sisters. None of the sisters have 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. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care in the years ahead by setting aside assets in a designated fund, the value of which is based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

The age profile of the members is also relevant in terms of identifying those who are both willing and able to serve as trustees of the charity in the future. This matter has been given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisory group that might be consulted by the trustees.

◇ ***Maintenance and upgrading of properties***

All properties will continue to be reviewed for their current use and needs and a rolling maintenance plan is in place to ensure the properties are upgraded and maintained. This is an ongoing review and process.

◇ ***Health and safety***

Health and safety is an area taken very seriously. Policies will be reviewed and developed on a regular basis.

◇ ***Housing and long-term care needs***

The Provincial is working with the Healthcare Advisor, who is a Registered Nurse, and other key experienced staff, to look at options for providing for the long-term health and well-being of all sisters in the province. The Society is engaging in the wider debate on this topic by involvement with the Conference of Religious and other Congregations directly as it is recognised that this issue is one shared by many Religious Orders. Work is ongoing in looking at the suitability of the properties owned by the Society and how adaptations and flexibility can ensure these properties can continue to be occupied by Sisters.

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

◆ **Risk management** (continued)

◇ ***Housing and long-term care needs*** (continued)

In summary, the trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas, investments and finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, by having in place appropriate insurances and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Approved by and signed on the behalf of the trustees:

Sister Catherine Lloyd

Trustee

Approved by the trustees on: 23 February 2024

## **Independent auditor's report to the trustees of the Society of the Sacred Heart CIO**

### **Opinion**

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, principal accounting policies and the 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 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 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' annual 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.

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

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Performed substantive testing on expenditure; and
- ◆ Tested journal entries to identify unusual transactions.

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

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management 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 144 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

27 March 2024

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 30 June 2023

|                                                                 | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ |
|-----------------------------------------------------------------|-------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <b>Income from:</b>                                             |       |                         |                       |                       |                         |                       |                       |
| Donations and legacies                                          | 1     | 814,020                 | —                     | 814,020               | 707,992                 | —                     | 707,992               |
| Investments and interest receivable                             | 2     | 1,147,493               | —                     | 1,147,493             | 1,161,835               | —                     | 1,161,835             |
| Charitable activities                                           | 3     | 53,436                  | —                     | 53,436                | 17,606                  | —                     | 17,606                |
| Other sources:                                                  |       |                         |                       |                       |                         |                       |                       |
| . Surplus on disposal of tangible fixed assets                  | 4     | 176,082                 | —                     | 176,082               | 120,108                 | —                     | 120,108               |
| . Miscellaneous sources                                         | 5     | 122,059                 | —                     | 122,059               | 122,244                 | 10,000                | 132,244               |
| <b>Total income</b>                                             |       | <b>2,313,090</b>        | <b>—</b>              | <b>2,313,090</b>      | <b>2,129,785</b>        | <b>10,000</b>         | <b>2,139,785</b>      |
| <b>Expenditure on:</b>                                          |       |                         |                       |                       |                         |                       |                       |
| Charitable activities                                           |       |                         |                       |                       |                         |                       |                       |
| . Donations payable                                             | 6     | 437,743                 | —                     | 437,743               | 298,100                 | —                     | 298,100               |
| . Support of members of the Society and their ministry          | 7     | 2,756,586               | —                     | 2,756,586             | 2,496,959               | 10,000                | 2,506,959             |
| . Provision of retreat accommodation                            |       | 13,212                  | —                     | 13,212                | 277                     | —                     | 277                   |
| . Impairment of freehold property                               | 12    | —                       | —                     | —                     | 615,729                 | —                     | 615,729               |
| <b>Total expenditure</b>                                        |       | <b>3,207,541</b>        | <b>—</b>              | <b>3,207,541</b>      | <b>3,411,065</b>        | <b>10,000</b>         | <b>3,421,065</b>      |
| <b>Net expenditure before net gains (losses) on investments</b> | 9     | <b>(894,451)</b>        | <b>—</b>              | <b>(894,451)</b>      | <b>(1,281,280)</b>      | <b>—</b>              | <b>(1,281,280)</b>    |
| Net gains (losses) on investments                               | 13    | 903,450                 | —                     | 903,450               | (2,116,252)             | —                     | (2,116,252)           |
| <b>Net income (expenditure) and net movement in funds</b>       |       | <b>8,999</b>            | <b>—</b>              | <b>8,999</b>          | <b>(3,397,532)</b>      | <b>—</b>              | <b>(3,397,532)</b>    |
| <b>Reconciliation of funds:</b>                                 |       |                         |                       |                       |                         |                       |                       |
| Balances brought forward at 1 July 2022                         |       | 50,132,531              | 5,000                 | 50,137,531            | 53,530,063              | 5,000                 | 53,535,063            |
| Balances carried forward at 30 June 2023                        |       | 50,141,530              | 5,000                 | 50,146,530            | 50,132,531              | 5,000                 | 50,137,531            |

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

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

## Balance sheet 30 June 2023

|                                                       | Notes | 2023<br>£        | 2023<br>£         | 2022<br>£        | 2022<br>£         |
|-------------------------------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                  |                   |                  |                   |
| Tangible assets                                       | 12    |                  | 7,283,380         |                  | 7,976,975         |
| Investments                                           | 13    |                  | 39,289,617        |                  | 38,349,090        |
|                                                       |       |                  | <b>46,572,997</b> |                  | <b>46,326,065</b> |
| <b>Current assets</b>                                 |       |                  |                   |                  |                   |
| Debtors                                               | 14    | 1,179,345        |                   | 1,170,568        |                   |
| Cash at bank and in hand                              |       | 2,596,323        |                   | 3,064,905        |                   |
|                                                       |       | <b>3,775,668</b> |                   | <b>4,235,473</b> |                   |
| <b>Creditors:</b> amounts falling due within one year | 15    | (202,135)        |                   | (424,007)        |                   |
| <b>Net current assets</b>                             |       |                  | <b>3,573,533</b>  |                  | <b>3,811,466</b>  |
| <b>Total net assets</b>                               |       |                  | <b>50,146,530</b> |                  | <b>50,137,531</b> |
| <b>The funds of the charity:</b>                      |       |                  |                   |                  |                   |
| Restricted income funds                               | 16    |                  | 5,000             |                  | 5,000             |
| Unrestricted income funds                             |       |                  |                   |                  |                   |
| . General fund                                        |       |                  | 1,572,936         |                  | 621,854           |
| . Tangible fixed assets fund                          | 17    |                  | 7,283,380         |                  | 7,976,975         |
| . Programme related investments fund                  | 18    |                  | 1,897,071         |                  | 1,895,845         |
| . Designated funds                                    | 19    |                  | 39,388,143        |                  | 39,637,857        |
|                                                       |       |                  | <b>50,146,530</b> |                  | <b>50,137,531</b> |

Approved by the trustees and signed  
on their behalf by:

Sister Catherine Lloyd

Trustee

Approved by the trustees on: 23 February 2024

## Statement of cash flows Year to 30 June 2023

|                                                        | Notes | 2023<br>£          | 2022<br>£   |
|--------------------------------------------------------|-------|--------------------|-------------|
| <b>Cash flows from operating activities:</b>           |       |                    |             |
| Net cash used in operating activities                  | A     | <b>(2,201,083)</b> | (1,846,664) |
| <b>Cash flows from investing activities:</b>           |       |                    |             |
| Investment income received                             |       | <b>1,245,546</b>   | 997,226     |
| Interest received                                      |       | <b>2,928</b>       | 13,269      |
| Proceeds from the disposal of tangible fixed assets    |       | <b>894,833</b>     | 376,050     |
| Proceeds from disposal of listed investments           |       | <b>3,500,000</b>   | 231,339     |
| Purchase of tangible fixed assets                      |       | <b>(373,729)</b>   | (65,573)    |
| Purchase of cash investments                           |       | <b>(3,535,851)</b> | —           |
| Purchase of programme related investments              |       | <b>(1,226)</b>     | (1,224)     |
| <b>Net cash provided by investing activities</b>       |       | <b>1,732,501</b>   | 1,551,087   |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>(468,582)</b>   | (295,577)   |
| <b>Cash and cash equivalents at 1 July 2022</b>        | B     | <b>3,064,905</b>   | 3,360,482   |
| <b>Cash and cash equivalents at 1 June 2023</b>        |       | <b>2,596,323</b>   | 3,064,905   |

### 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 operating activities

|                                                                             | 2023<br>£          | 2022<br>£   |
|-----------------------------------------------------------------------------|--------------------|-------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>8,999</b>       | (3,397,532) |
| <b>Adjustments for:</b>                                                     |                    |             |
| Depreciation charge                                                         | <b>304,981</b>     | 314,537     |
| Impairment of freehold property                                             | <b>—</b>           | 615,729     |
| (Gains) losses on listed investments                                        | <b>(903,450)</b>   | 2,116,252   |
| Investment income                                                           | <b>(1,144,565)</b> | (1,138,366) |
| Interest receivable                                                         | <b>(2,928)</b>     | (13,269)    |
| Surplus on disposal of tangible fixed assets                                | <b>(176,082)</b>   | (120,108)   |
| (Increase) decrease in debtors                                              | <b>(2,700)</b>     | 62,442      |
| Decrease in creditors                                                       | <b>(285,338)</b>   | (286,349)   |
| <b>Net cash used in operating activities</b>                                | <b>(2,201,083)</b> | (1,846,664) |

#### B Analysis of cash and cash equivalents

|                          | 2023<br>£        | 2022<br>£ |
|--------------------------|------------------|-----------|
| Cash at bank and in hand | <b>2,596,323</b> | 3,064,905 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## **Principal accounting policies** Year to 30 June 2023

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 to 30 June 2023 with comparative information given in respect to the year 30 June 2022.

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), 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 and management to make significant judgements and estimates.

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

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

As set out in these accounting policies under “assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **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 acknowledge and recognise the impact of the a current macroeconomic and geopolitical climate more generally on the charity. However, they have concluded that whilst there may be some negative consequences such as volatility in the value of the listed investment portfolio and related income, the impact is unlikely to be significant. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards 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 listed investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**Income**

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

Income comprises donations, legacies, investment income, interest receivable, hostel income, other rents receivable from charitable activities and other income including the surplus on the disposal of tangible fixed assets.

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 and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

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.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

**Income** (continued)

Dividends are 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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Coronavirus Job Retention Scheme funding is recognised within income from miscellaneous sources when the eligibility criteria are met and a claim has been made.

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**

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. All expenditure is stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

♦ ***Donations payable***

Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.

♦ ***The support of members of the Society and their ministry***

Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.

♦ ***Provision of hostel accommodation***

Expenditure on Barat House which provides accommodation for students.

### **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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

### **Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

#### ◆ ***Freehold land and buildings***

Freehold land and buildings are shown on the balance sheet at cost, deemed cost or, where donated, at their value at the date of donation.

##### ◇ *Residential*

Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost or deemed 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 different from their book value.

##### ◇ *Purpose built residential care home*

Other buildings comprising a residential care home for elderly Sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.

#### ◆ ***Leasehold property***

Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.

#### ◆ ***Building improvements***

Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.

#### ◆ ***Fixtures and fittings***

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four year period on a straight line basis.

#### ◆ ***Motor vehicles***

Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Tangible fixed assets are impaired when the recoverable amount is determined to be less than the carrying amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

### **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.

Properties held for investment purposes are included in these accounts at their fair value which is deemed to be their open market value. When a property previously held for investment purposes is transferred to tangible fixed assets, the carrying value of the property is treated as deemed cost and no adjustment is made to reverse any unrealised gains or losses.

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 are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value.

### **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. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

### **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 accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

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

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

### **Services provided by members of the Society**

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

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme. The expense is allocated to the support of members of the Society and their ministry.

### **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.

# 1 Income from: Donations and legacies

|                                                                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2023<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ |
|-------------------------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid | 813,578                 | —                     | 813,578                     | 707,992                 | —                     | 707,992                     |
| Other donations                                                                           | 442                     | —                     | 442                         | —                       | —                     | —                           |
|                                                                                           | <b>814,020</b>          | <b>—</b>              | <b>814,020</b>              | <b>707,992</b>          | <b>—</b>              | <b>707,992</b>              |

# 2 Income from: Investments and interest receivable

|                                                   | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2023<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ |
|---------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Income from listed investments                    |                         |                       |                             |                         |                       |                             |
| . UK Common investment funds                      | 1,144,565               | —                     | 1,144,565                   | 1,121,116               | —                     | 1,121,116                   |
| Rental income from investment property            | —                       | —                     | —                           | 27,450                  | —                     | 27,450                      |
| Bank interest and interest on short term deposits | 2,928                   | —                     | 2,928                       | 13,269                  | —                     | 13,269                      |
|                                                   | <b>1,147,493</b>        | <b>—</b>              | <b>1,147,493</b>            | <b>1,161,835</b>        | <b>—</b>              | <b>1,161,835</b>            |

# 3 Income from: Charitable activities

|                                | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2023<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ |
|--------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Hostel income                  | 31,582                  | —                     | 31,582                      | 12,756                  | —                     | 12,756                      |
| Retreat centre income          | 19,654                  | —                     | 19,654                      | 4,850                   | —                     | 4,850                       |
| Other rental income receivable | 2,200                   | —                     | 2,200                       | —                       | —                     | —                           |
|                                | <b>53,436</b>           | <b>—</b>              | <b>53,436</b>               | <b>17,606</b>           | <b>—</b>              | <b>17,606</b>               |

# 4 Income from: Surplus on disposal of tangible fixed assets

|                                               | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2023<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ |
|-----------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Surplus on the disposal of land and buildings | 165,082                 | —                     | 165,082                     | 144,466                 | —                     | 144,466                     |
| Surplus on the disposal of motor vehicles     | 11,000                  | —                     | 11,000                      | 969                     | —                     | 969                         |
| Loss on the disposal of property improvements | —                       | —                     | —                           | (25,327)                | —                     | (25,327)                    |
|                                               | <b>176,082</b>          | <b>—</b>              | <b>176,082</b>              | <b>120,108</b>          | <b>—</b>              | <b>120,108</b>              |

**5 Income from: Miscellaneous sources**

|                                          | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ |
|------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Investment manager fee rebate (note 13)  | 91,531                  | —                     | 91,531                | 89,911                  | —                     | 89,911                |
| Coronavirus Job Retention Scheme funding | —                       | —                     | —                     | 15,766                  | —                     | 15,766                |
| Other                                    | 30,528                  | —                     | 30,528                | 16,567                  | 10,000                | 26,567                |
|                                          | <b>122,059</b>          | <b>—</b>              | <b>122,059</b>        | <b>122,244</b>          | <b>10,000</b>         | <b>132,244</b>        |

The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £nil (2022 – £15,766) relates to salary costs included within staff costs (note 10).

**6 Expenditure on: Donations payable**

The charity makes donations to both individuals and institutions in accordance with the donations policy set out in the report of the trustees. The donations payable during the year were as follows:

|                                                                    | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ |
|--------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Contributions to the Generalate of the Society of the Sacred Heart | 52,482                  | —                     | 52,482                | 55,000                  | —                     | 55,000                |
| Donations to institutions and individuals (see overleaf)           | 385,261                 | —                     | 385,261               | 243,100                 | —                     | 243,100               |
|                                                                    | <b>437,743</b>          | <b>—</b>              | <b>437,743</b>        | <b>298,100</b>          | <b>—</b>              | <b>298,100</b>        |

**6 Expenditure on: Donations payable (continued)**

Donations paid to institutions and individuals during the year comprised the following:

| <b>Recipient</b>                                                   | <b>Total<br/>2023<br/>funds<br/>£</b> | <b>Total<br/>2022<br/>funds<br/>£</b> |
|--------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Aid to the Church in Need                                          | 5,000                                 | —                                     |
| Bishop Bewick Catholic Education Trust                             | 8,774                                 | —                                     |
| Butterfly Tree Project                                             | 1,500                                 | 4,000                                 |
| CAFOD                                                              | 10,000                                | 10,000                                |
| Cardinal Hume Centre                                               | 10,000                                | 7,500                                 |
| Care4Calais                                                        | 6,000                                 | 5,000                                 |
| Caritas Westminster (Firm Foundations)                             | 10,000                                | —                                     |
| Catholic Children's Society                                        | 7,500                                 | 2,500                                 |
| Christian Aid                                                      | 5,000                                 | —                                     |
| Community Hub, Our Lady of Fatima, White Chapel                    | 7,000                                 | —                                     |
| DEC re Pakistan floods                                             | 5,000                                 | —                                     |
| Ebbw Vale Community Pantry                                         | 3,000                                 | —                                     |
| Fenham Association of Residents (FAR) (including swimming project) | 150,000                               | 30,500                                |
| The Glass Door                                                     | 5,000                                 | 5,000                                 |
| Hammersmith & Fulham Foodbank                                      | 5,000                                 | —                                     |
| Jesuit Refugee Service                                             | 32,000                                | —                                     |
| Katherine Low Settlement                                           | 9,600                                 | 10,300                                |
| London Irish Centre Charity                                        | 2,500                                 | 2,500                                 |
| The Medaille Trust                                                 | 5,000                                 | 69,600                                |
| Minsteracres Retreat Centre                                        | —                                     | 5,700                                 |
| Missio                                                             | 5,000                                 | —                                     |
| Newham Community Project                                           | 7,000                                 | 6,000                                 |
| Network of Sacred Heart Schools and College                        | 9,000                                 | 9,000                                 |
| Operation Noah                                                     | 4,000                                 | 2,500                                 |
| The Passage                                                        | 10,000                                | 7,500                                 |
| Pax Christi                                                        | 5,000                                 | 5,000                                 |
| The Peoples' Kitchen                                               | —                                     | 4,000                                 |
| Practical Action                                                   | —                                     | 2,000                                 |
| Religious Life Safeguarding Service                                | 5,000                                 | —                                     |
| Schools Network                                                    | —                                     | 2,000                                 |
| The Shannon Trust                                                  | —                                     | 2,500                                 |
| Shepton Mallet Dementia Action Alliance                            | 1,500                                 | —                                     |
| Solidarity in South Sudan                                          | 10,000                                | —                                     |
| STCF Philanthropy                                                  | 5,000                                 | —                                     |
| St Greg's Pantry                                                   | —                                     | 3,000                                 |
| St Vincent de Paul Group                                           | —                                     | 1,000                                 |
| Traidcraft Exchange                                                | 6,983                                 | 10,000                                |
| Transform Trade                                                    | 8,000                                 | —                                     |
| The Trussell Trust                                                 | 5,000                                 | 1,500                                 |
| Ukrainian Fund                                                     | —                                     | 10,000                                |
| West End Refugee Service (WERS)                                    | 2,500                                 | 2,500                                 |
| Windsor Hill Wood                                                  | —                                     | —                                     |
| Young Ministry Team Diocese of Hexham & Newcastle                  | 3,000                                 | 6,500                                 |
|                                                                    | <b>374,857</b>                        | <b>227,600</b>                        |
| Donations of less than £1,000                                      | <b>10,404</b>                         | <b>15,500</b>                         |
|                                                                    | <b>385,261</b>                        | <b>243,100</b>                        |
| <b>Total donations</b>                                             | <b>385,261</b>                        | <b>243,100</b>                        |

**7 Expenditure on: Support of members of the Society and their ministry**

|                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ |
|-------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Premises                                  | 204,231                 | —                     | 204,231               | 298,946                 | —                     | 298,946               |
| Sisters' living and ministry expenses     | 1,780,692               | —                     | 1,780,692             | 1,402,537               | 10,000                | 1,412,537             |
| Education, training and spiritual renewal | 24,951                  | —                     | 24,951                | 24,755                  | —                     | 24,755                |
| Refurbishments and start-up costs         | 183,380                 | —                     | 183,380               | 63,498                  | —                     | 63,498                |
| Other support costs                       | 513,732                 | —                     | 513,732               | 668,208                 | —                     | 668,208               |
| Governance costs (note 8)                 | 49,600                  | —                     | 49,600                | 39,015                  | —                     | 39,015                |
|                                           | <b>2,756,586</b>        | <b>—</b>              | <b>2,756,586</b>      | <b>2,496,959</b>        | <b>10,000</b>         | <b>2,506,959</b>      |

**8 Governance costs**

|                        | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2023 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ |
|------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Auditor's remuneration | 49,600                  | —                     | 49,600                | 39,015                  | —                     | 39,015                |

**9 Net expenditure before gains on investments**

This is stated after charging:

|                                           | Total 2023<br>£ | Total 2022<br>£ |
|-------------------------------------------|-----------------|-----------------|
| Staff costs (note 10)                     | 1,247,616       | 1,073,617       |
| Auditor's remuneration                    |                 |                 |
| · Statutory audit services – current year | 38,040          | 29,000          |
| · Statutory audit services – prior year   | 5,560           | —               |
| · Other accountancy services – prior year | 6,000           | 10,015          |
| Depreciation                              | 304,981         | 314,537         |

**10 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees**

|                                                      | 2023<br>£        | 2022<br>£        |
|------------------------------------------------------|------------------|------------------|
| Staff costs during the year were as follows:         |                  |                  |
| Wages and salaries                                   | 1,113,245        | 964,187          |
| Social security costs                                | 93,865           | 76,817           |
| Pension costs                                        | 40,506           | 32,613           |
|                                                      | <b>1,247,616</b> | <b>1,073,617</b> |
| Staff costs per function were as follows:            |                  |                  |
| Support of members of the Society and their ministry | <b>1,247,616</b> | <b>1,073,617</b> |

No employees earned £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2022 – none).

# **10 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees** (continued)

The average number of employees during the year, analysed by function, was as follows:

|                                                      | 2023 | 2022 |
|------------------------------------------------------|------|------|
| Support of members of the Society and their ministry | 53   | 48   |

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Executive Director, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £101,403 (2022 – £82,255).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2022 – none).

As members of the Society, none of the trustees have 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 £256,213 (2022 – £82,466).

## **11 Taxation**

The Society of the Sacred Heart CIO 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.

## **12 Tangible fixed assets**

|                        | Total<br>land and<br>buildings<br>(see below)<br>£ | Building<br>improvements<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£ |
|------------------------|----------------------------------------------------|-------------------------------|------------------------|-------------------------------|------------|
| <b>Cost</b>            |                                                    |                               |                        |                               |            |
| At 1 July 2022         | 10,404,872                                         | 1,360,336                     | 253,710                | 260,371                       | 12,279,289 |
| Additions              | 175,000                                            | 61,364                        | 82,095                 | 11,678                        | 330,137    |
| Disposals              | (713,251)                                          | —                             | (36,795)               | —                             | (750,046)  |
| At 30 June 2023        | 9,866,621                                          | 1,421,900                     | 299,010                | 272,049                       | 11,859,380 |
| <b>Depreciation</b>    |                                                    |                               |                        |                               |            |
| At 1 July 2022         | 3,172,982                                          | 702,754                       | 202,785                | 223,793                       | 4,302,314  |
| Charge for the year    | 133,398                                            | 113,356                       | 27,942                 | 30,285                        | 304,981    |
| On disposals           | —                                                  | —                             | (31,295)               | —                             | (31,295)   |
| At 30 June 2023        | 3,306,380                                          | 816,110                       | 199,432                | 254,078                       | 4,576,000  |
| <b>Net book values</b> |                                                    |                               |                        |                               |            |
| At 30 June 2023        | 6,560,241                                          | 605,590                       | 99,578                 | 17,971                        | 7,283,380  |
| At 30 June 2022        | 7,231,890                                          | 657,582                       | 50,925                 | 36,578                        | 7,976,975  |

**12 Tangible fixed assets (continued)*****Land and buildings***

|                        | Freehold land and buildings |                    | Long leasehold property<br>£ | Total land and buildings<br>£ |
|------------------------|-----------------------------|--------------------|------------------------------|-------------------------------|
|                        | Residential<br>£            | Purpose built<br>£ |                              |                               |
| <b>Cost</b>            |                             |                    |                              |                               |
| At 1 July 2022         | 5,186,829                   | 4,421,397          | 796,646                      | <b>10,404,872</b>             |
| Additions              | —                           | —                  | 175,000                      | <b>175,000</b>                |
| Disposals              | (713,251)                   | —                  | —                            | <b>(713,251)</b>              |
| At 30 June 2023        | <u>4,473,578</u>            | <u>4,421,397</u>   | <u>971,646</u>               | <b><u>9,866,621</u></b>       |
| <b>Depreciation</b>    |                             |                    |                              |                               |
| At 1 July 2022         | —                           | 3,072,218          | 100,764                      | <b>3,172,982</b>              |
| Charge for the year    | —                           | 126,587            | 6,811                        | <b>133,398</b>                |
| At 30 June 2023        | <u>—</u>                    | <u>3,198,805</u>   | <u>107,575</u>               | <b><u>3,306,380</u></b>       |
| <b>Net book values</b> |                             |                    |                              |                               |
| At 30 June 2023        | <u>4,473,578</u>            | <u>1,222,592</u>   | <u>864,071</u>               | <b><u>6,560,241</u></b>       |
| At 30 June 2022        | <u>5,186,829</u>            | <u>1,349,179</u>   | <u>695,882</u>               | <b><u>7,231,890</u></b>       |

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts. Certain of the charity's properties are subject to covenants which restrict their use and disposal.

An impairment of £615,729 in respect to a property in southwest London was made during the year ended 30 June 2022 to write it down to its recoverable amount of £nil. The property is currently empty and is due to be demolished. No further impairment charges have been made during the year ended 30 June 2023.

***Capital commitments***

At 30 June 2023, no capital commitments existed (2022: £nil) although planning permission has been obtained to rebuild one of the charity's properties which is due to be demolished in late 2023. The estimated cost of this rebuild is circa £5 million.

At the year end, the charity had committed to the purchase of a flat in southwest London, for consideration of £505,000. This purchase was completed following the year end (please see note 23).

### 13 Fixed asset investments

At 30 June 2023 investments comprised:

|                                                                   | 2023<br>£         | 2022<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| Freehold investment property (see a. below)                       | —                 | —                 |
| Listed investments and cash held for re-investment (see c. below) | 33,856,695        | 36,453,245        |
| Cash investments (see b. below)                                   | 3,535,851         | —                 |
| Programme related investments (see d. below)                      | 1,897,071         | 1,895,845         |
|                                                                   | <b>39,289,617</b> | <b>38,349,090</b> |

Movements on each category of investment are summarised below:

#### a. Freehold investment property

|                                       | 2023<br>£ | 2022<br>£   |
|---------------------------------------|-----------|-------------|
| Fair value at 1 July 2022             | —         | 1,450,000   |
| Reclassified as tangible fixed assets | —         | (1,450,000) |
| Fair value at 30 June 2023            | —         | —           |

#### b. Cash investments

|                 | 2023<br>£        | 2022<br>£ |
|-----------------|------------------|-----------|
| At 1 July 2022  | —                | —         |
| Additions       | 3,535,851        | —         |
| At 30 June 2023 | <b>3,535,851</b> | —         |

All cash investments are held in the CCLA COIF Charities Deposit fund.

#### c. Listed investments

|                                                | 2023<br>£         | 2022<br>£         |
|------------------------------------------------|-------------------|-------------------|
| <b>Listed investments</b>                      |                   |                   |
| Market value at 1 July 2022                    | 36,453,245        | 38,800,835        |
| Disposals (proceeds £3,500,000, gains £69,695) | (3,430,305)       | (219,251)         |
| Net unrealised investment gains (losses)       | 833,755           | (2,128,339)       |
| Market value at 30 June 2023                   | <b>33,856,695</b> | <b>36,453,245</b> |
| Cost of listed investments at 30 June 2023     | <b>28,736,505</b> | <b>31,721,551</b> |

At 30 June 2023 listed investments comprised holdings in the following common investment fund:

|                                        | 2023              |                                          | 2022              |                                          |
|----------------------------------------|-------------------|------------------------------------------|-------------------|------------------------------------------|
|                                        | Market value<br>£ | Percentage<br>of total<br>portfolio<br>% | Market value<br>£ | Percentage<br>of total<br>portfolio<br>% |
| COIF Charities Ethical Investment Fund | <b>33,856,695</b> | <b>100</b>                               | 36,453,245        | 100                                      |

All listed investments within the above fund were dealt in on a recognised stock exchange.

### 13 Fixed asset investments (continued)

#### *c. Listed investments* (continued)

Investment manager fees are deducted automatically from the portfolio on a quarterly basis and are inherent in arriving at the market value of funds held. The fees deducted are based on a fixed percentage which exceeds that contractually payable by the charity. As such, the investment manager rebates fees to the charity every quarter. The rebates, which amount to £91,531 for the year to 30 June 2023 (2022 – £89,911) are included in these accounts as miscellaneous income.

#### *d. Programme related investments*

|                                       | 2023<br>£ | 2022<br>£ |
|---------------------------------------|-----------|-----------|
| Carrying value at 1 July 2022         | 1,895,845 | 1,894,621 |
| Additions to Oikocredit equity shares | 1,226     | 1,224     |
| Carrying value at 30 June 2023        | 1,897,071 | 1,895,845 |

Programme related investments comprise:

|                          | 2023<br>£ | 2022<br>£ |
|--------------------------|-----------|-----------|
| Freehold properties      | 1,650,000 | 1,650,000 |
| Oikocredit equity shares | 247,071   | 245,844   |
|                          | 1,897,071 | 1,895,844 |

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity owns a property which is leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity has funds of £247,071 (2022 – £245,844) held in equity shares of Oikocredit, Ecumenical Development Cooperative Society U.A (Oikocredit). Oikocredit is an ethical investment opportunity which finances development projects benefiting disadvantaged and marginalised people.

### 14 Debtors

|                                                                          | 2023<br>£ | 2022<br>£ |
|--------------------------------------------------------------------------|-----------|-----------|
| Investment income                                                        | 1,068,543 | 1,169,524 |
| Other debtors                                                            | 3,744     | 1,044     |
| Prepayments in respect to anticipated additions to tangible fixed assets | 107,058   | —         |
|                                                                          | 1,179,345 | 1,170,568 |

## 15 Creditors: amounts falling due within one year

|                                | 2023<br>£      | 2022<br>£      |
|--------------------------------|----------------|----------------|
| Accruals                       | 114,068        | 50,039         |
| Donations payable              | 66,157         | 357,100        |
| Expense creditors              | —              | 4,340          |
| Salaries and related creditors | 21,910         | 12,528         |
|                                | <b>202,135</b> | <b>424,007</b> |

## 16 Restricted funds

|                                  | At<br>1 July<br>2022<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2023<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | —           | —                | 5,000                      |

|                                  | At<br>1 July<br>2021<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2022<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | 10,000      | (10,000)         | 5,000                      |

## 17 Tangible fixed assets fund

|                       | 2023<br>£        | 2022<br>£        |
|-----------------------|------------------|------------------|
| At 1 July 2022        | 7,976,975        | 7,647,612        |
| Net movements in year | (693,595)        | 329,363          |
| At 30 June 2023       | <b>7,283,380</b> | <b>7,976,975</b> |

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

## 18 Programme related investments

|                      | 2023<br>£        | 2022<br>£        |
|----------------------|------------------|------------------|
| At 1 July 2022       | 1,895,845        | 1,894,621        |
| Net movement in year | 1,226            | 1,224            |
| At 30 June 2023      | <b>1,897,071</b> | <b>1,895,845</b> |

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 13, these investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people.

**18 Programme related investments (continued)**

It is the intention of the trustees of the charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**19 Designated funds**

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

|                            | At<br>1 July<br>2022<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2023<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 15,000,000                | —                        | —                          | 15,000,000                 |
| Future strategy fund       | 15,000,000                | —                        | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 58,719                    | —                        | 5,170                      | 63,889                     |
| Ministry support fund      | 500,000                   | 308,100                  | (308,100)                  | 500,000                    |
| Building maintenance fund  | 5,000,000                 | —                        | (290,438)                  | 4,709,562                  |
| Malta fund                 | 1,579,138                 | 35,554                   | —                          | 1,614,692                  |
|                            | <b>39,637,857</b>         | <b>343,654</b>           | <b>(593,368)</b>           | <b>39,388,143</b>          |

|                            | At<br>1 July<br>2021<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2022<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 14,500,000                | 500,000                  | —                          | 15,000,000                 |
| Future strategy fund       | 20,000,000                | (5,000,000)              | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 60,008                    | —                        | (1,289)                    | 58,719                     |
| Ministry support fund      | 500,000                   | 212,600                  | (212,600)                  | 500,000                    |
| Building maintenance fund  | —                         | 5,000,000                | —                          | 5,000,000                  |
| Malta fund                 | 1,668,857                 | —                        | (89,719)                   | 1,579,138                  |
|                            | <b>39,228,865</b>         | <b>712,600</b>           | <b>(303,608)</b>           | <b>39,637,857</b>          |

♦ *Retirement fund*

This consists of monies which the trustees have set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Future strategy fund*

This new fund consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

**19 Designated funds** (continued)♦ *Society restructuring fund*

This fund (previously named the International Development Fund) consists of monies which the trustees have set aside to support the work needed as a result of the canonical restructuring of the Society of the Sacred Heart and its international work.

♦ *Barat House Hostel fund*

This fund represents the net assets of Barat House. The assets have been designated for use by the House only.

♦ *Ministry support fund*

This consists of monies which the trustees have set aside for the support of charitable work.

♦ *Building maintenance fund*

This fund represents monies designated by the trustees to support the development of the healthcare hub and also maintain the charity's existing properties.

♦ *Malta fund*

This represents monies which the trustees have designated for the care of the elderly religious in Malta.

**20 Analysis of net assets between funds**

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2023 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 7,283,380                                | —                       | —                                                | —                        | 7,283,380          |
| Investments                                              | 254,403              | —                                        | 37,138,143              | —                                                | 1,897,071                | 39,289,617         |
| Current assets                                           | 1,520,668            | —                                        | 2,250,000               | 5,000                                            | —                        | 3,775,668          |
| Creditors falling due within one year                    | (202,135)            | —                                        | —                       | —                                                | —                        | (202,135)          |
| <b>Total net assets</b>                                  | <b>1,572,936</b>     | <b>7,283,380</b>                         | <b>39,388,143</b>       | <b>5,000</b>                                     | <b>1,897,071</b>         | <b>50,146,530</b>  |

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2022 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 7,976,975                                | —                       | —                                                | —                        | 7,976,975          |
| Investments                                              | 315,388              | —                                        | 36,137,857              | 1,895,845                                        | —                        | 38,349,090         |
| Current assets                                           | 730,473              | —                                        | 3,500,000               | —                                                | 5,000                    | 4,235,473          |
| Creditors falling due within one year                    | (424,007)            | —                                        | —                       | —                                                | —                        | (424,007)          |
| <b>Total net assets</b>                                  | <b>621,854</b>       | <b>7,976,975</b>                         | <b>39,637,857</b>       | <b>1,895,845</b>                                 | <b>5,000</b>             | <b>50,137,531</b>  |

## 20 Analysis of net assets between funds (continued)

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

|                                                                                  | 2023<br>£        | 2022<br>£   |
|----------------------------------------------------------------------------------|------------------|-------------|
| <b>Total unrealised gains included above:</b>                                    |                  |             |
| On listed investments                                                            | <b>5,120,190</b> | 4,731,694   |
|                                                                                  | <b>5,120,190</b> | 4,731,694   |
| <b>Reconciliation of movements in unrealised gains</b>                           |                  |             |
| Unrealised gains at 1 July 2022                                                  | <b>4,731,694</b> | 8,090,201   |
| Less in respect of disposals in the year                                         | <b>(445,259)</b> | (38,984)    |
| Add (less): net gains (losses) arising on revaluation in the year                | <b>833,755</b>   | (2,128,339) |
| Less: eliminated on transfer of property to tangible fixed assets at deemed cost | —                | (1,191,184) |
| <b>Total unrealised gains at 30 June 2023</b>                                    | <b>5,120,190</b> | 4,731,694   |

## 21 Connected charity and related party transactions

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2023, Digby Stuart College Trust owed the charity £3,744 (2022 – £1,044).

Details of donations made to the charity by the trustees during the year are provided in note 10.

There were no other related party transactions during the year requiring disclosure (2022 – none).

## 22 Liability of the member

The Provincial Superior of the Society, by virtue of holding that office, is ex-officio the sole member of the Charitable Incorporated Organisation (CIO) for as long as she holds that office. If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. It is the duty of the member of the CIO to exercise her powers as a member of the CIO in the way she decides in good faith would be the most likely to further the purposes of the CIO. The member shall before exercising her powers carry out such consultations and obtain such consents, if any, as may be required by the Society's Constitutions.

## 23 Post balance sheet events

Following the year end, the charity completed the purchase of two properties:

- ♦ Flat 4, Queen Mary's House, 1 Holford Way, London, for consideration of £510,721 on 21 July 2023.
- ♦ Flat 56, Roebuck House, Roehampton Lane, London, for consideration of £515,598 on 16 November 2023.

**SOCIETY OF THE SACRED HEART CIO**

England & Wales - Charity number 1179288

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# Accounts

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**Society of  
the Sacred Heart  
CIO**

**Annual Report and Accounts**

30 June 2022

Charity Registration Number 1179288



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|                                    |                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Sister Christine Austin<br>Sister Christine Edwards<br>Sister Catherine Lloyd<br>Sister Sheila McNamara<br>Sister Bernadette Porter (appointed September 2022)<br>Sister Lorraine Pratt<br>Sister Stephanie Romaine<br>Sister Marianne Tavares (appointed September 2022)<br>Sister Margaret Walshe (retired September 2022)<br>Sister Margaret Wilson |
| <b>Provincial Superior</b>         | Sister Catherine Lloyd                                                                                                                                                                                                                                                                                                                                 |
| <b>Administrative Address</b>      | 3 Bute Gardens<br>Hammersmith<br>London<br>W6 7DR                                                                                                                                                                                                                                                                                                      |
| Telephone                          | 020 8741 4688                                                                                                                                                                                                                                                                                                                                          |
| Facsimile                          | 020 8834 7380                                                                                                                                                                                                                                                                                                                                          |
| <b>Charity Registration Number</b> | 1179288                                                                                                                                                                                                                                                                                                                                                |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL                                                                                                                                                                                                                                                                                                 |
| <b>Bankers</b>                     | HSBC Bank plc<br>53-55 Uxbridge Road<br>London<br>W5 5SA                                                                                                                                                                                                                                                                                               |
| <b>Solicitors</b>                  | Pothecary Witham Weld<br>84 Eccleston Square<br>Pimlico<br>London<br>SW1V 1PX<br><br>Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>Barbican<br>London<br>EC1M 6HR                                                                                                                                                                      |

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

### **Investment managers**

CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

## **Report of the trustees** Year to 30 June 2022

The trustees present their annual report together with the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year to 30 June 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 35 to 40 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

The Society of the Sacred Heart CIO is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a Constitution dated 23 July 2018.

The CIO was set up to continue the work of the Society of the Sacred Heart Charitable Trust (the predecessor charity), an unincorporated charity (Charity Registration Number 227848). With effect from 1 July 2019, the assets, liabilities and activities of the unincorporated charity were transferred to the CIO. The unincorporated charity remains a separate entity and in due course will be removed from the Register.

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution. The Society is present on all continents and in 41 countries and is divided into Provinces by country or region. The central government of the Society - the General Council and the Treasurer General - is based in Rome.

The Society established its first community in England in December 1842: it is now present in several locations around England and retains a retreat centre in Wales. In the Province of England and Wales (ENW) we mostly live in small communities. Central to our lives is a rhythm of prayer and reflection in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as we can and to meet the needs of our world - locally, nationally and globally - supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish, and God's love be made known to all.

The international Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members ('RSCJ' or 'Sisters') in the ensuing eight-year period.

At important moments the Society can call a Special Chapter to address specific issues related to governance. One of these took place in November 2021 to begin the work of re-structuring the governance of the Society around the world. This was followed by an Assembly of Provincials in December 2022 which proposed a reduction of the number of Society's Provinces from 27 down to 8.

The Society's mission priorities of education, spirituality, formation and justice, peace and integrity of creation will be incorporated into the new structures.

The new structure will be held 'ad experimentum' until the General Chapter in 2024, when it will be reviewed and the final plan ratified.

### **Objectives**

The objectives of the charity cover a range of charitable activities, which include:

- ◆ the support of the members of the Society and their charitable works;
- ◆ the advancement of education;
- ◆ the advancement of the Roman Catholic religion; and
- ◆ the relief of poverty.

### **Activities and performance**

In setting the charity's objectives and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit.

This report gives an overview of our work and pays particular attention to some of the ways in which we have sought to respond to and meet the objectives of the charity.

However, much of our work is interwoven, and our core belief in God and our membership of the Roman Catholic Church underpins every aspect of our lives and mission, as does the Society's educational focus, our commitment to being at the service of the materially and spiritually poor and the marginalised, and the effort to meet the needs of our own members in this Province and in the wider international Society.

It is important to note that the duration of time covered by this report saw the country gradually emerging from the state of lockdown caused by the Covid-19 pandemic. Regular activities resumed and day to day business began to be conducted face to face although the use of Zoom and Microsoft Teams continued to be used for meetings, many of which were hybrid.

### **Review of activities**

#### **◆ Support of the members and their charitable works**

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of the members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the province – to accompany and support newer members through each stage, i.e. candidacy, noviciate and temporary vows, and through each discernment and transition.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

***Vocations ministry***

The Vocations ministry Team has responded to invitations from both at home and abroad to participate in or contribute to processes related to vocations ministry, discernment or the culture of young people. Lorraine Pratt was invited by the International Vocations Group to provide input on three Zoom presentations to the Northern and Southern hemisphere provinces. Subsequently she was invited to share the same presentation with other provinces and groups including her own province at their Assembly in June 2022.

Members of the Vocations Ministry Team worked with their counterparts on the International Vocations Ministry Team to develop materials to disseminate across the congregation and forged links with Vocation Ministry personnel of other congregations in this country.

***Initial formation***

There were no candidates or novices in the province this year. The members of the formation team continued to meet online on a regular basis with their counterparts in the European Initial Formation Teams (EIFT) to plan online activities for candidates, novices and those in first vows known as PVTs, (Professed in Temporary Vows) in other European provinces.

The EIFT also met with the European Provincials to discuss programmes for the European Novitiate currently located in Chicago, USA. In Summer the Provincials of Europe participated in a discernment process together regarding the future location of the novitiate which novices from Europe would attend.

Until October 2021, we had one PVT living in the province. Our Director of PVT formation, Stephanie Romaine, also accompanied the PVT of the Irish/Scottish Province. Newer members in formation are enabled to attend courses, and meetings with their peers in other congregations and in the Society in Europe, thus helping them to deepen their understanding of religious life and the spirituality and mission of the Society, and to grow in the relationship with God which will sustain them in living our aims and priorities.

Meetings for people at the PVT stage of formation, which were originally planned to take place in different parts of Europe, had moved on-line during Covid but began to return to face to face meetings as the year progressed.

Newer members in initial formation from other provinces of the Society frequently visited the province of ENW before the pandemic to study English and visit our sisters. This practice had ceased during the pandemic but in the spring of 2022, the administrative staff began to process visa requests for visits for language study for newer members in initial formation from Indonesia and Colombia. Those visits are taking place between autumn and winter 2022, with sisters being placed in communities in different parts of England and participating fully in the life of the province.

## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### *On-going personal development of the members*

Each RSCJ is responsible for her on-going development at every level and the province tries to support and offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological and emotional levels.

This was more difficult throughout lockdown as opportunities for engaging with programmes, webinars, lectures, discussion groups, book clubs and prayer groups could only be found on-line. As lockdown lifted many activities remained on-line or moved into a hybrid model. Early in the pandemic, the province had sought to support members in the use of Zoom. This enabled many sisters to participate in meetings and other on-line activities which sustained and developed them.

In 2021, the International Society began a regular prayer for peace. Our sisters regularly joined other RSCJ from all around the world to pray for peace in Ukraine and other places of conflict. Sheila McNamara, our province JPIC (Justice Peace and Integrity of Creation) link, keeps us regularly connected with resources from the Society's International JPIC Learning Hub. The international RSCJ team responsible for this hub, develop materials for prayer and study and disseminate them across the congregation.



Mary and Carol in the Boleyn Road community in London's East End appreciated "the quality of Cor Unum (One Body – unity) that Zoom has made possible in a way we couldn't have imagined. Similarly, we have been part of sessions

run by CoR, (the Conference of Religious in England/Wales) on Laudato Si and Synodality, and Newham Council on Race and Equality Issues.

Fanny Martin speaking about her encounters with others by Zoom described it as enriching her spiritual life. "In the last two to three years there has been another dimension which is encountering Christ via a computer screen. This may be through meeting people on one of the many NHS TEAMS network or other work meetings or a thought-provoking Root and Branch presentation and of course Province or Society Zooms."

Many sisters also participated in training and on-going professional development via Zoom. Throughout the year, safeguarding training was provided both in-house and through the Religious Life Safeguarding Service for Trustees and sisters engaged in the ministry of spiritual accompaniment. Some sisters continued aspects of their professional life using Zoom or Microsoft teams.

Face to face visits to individuals and communities became possible again throughout the year for the Provincial and her Team. That said a great deal of provincial business was conducted by Zoom, reducing the need for costly travel and enabling those with physical challenges to continue participating in provincial business. Zoom also continued to be an important means of communication across the provinces for prayer and celebrations.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

***On-going personal development of the members*** (continued)

As our reliance on technology became more evident during this time, the province recognised the need to develop our province communications strategy even further. A review in early 2021 had clarified some of the IT needs of the membership and the administration. One fruit of that review was the refreshed province website which launched in December 2021. It had also become clear from the review that we needed to revamp our technology hardware and provision and this process began in earnest in the spring and summer of 2022 as we sought new providers to resource our IT needs.

Our Province health advisor, Mrs Susan Houston, worked alongside many sisters in the wider province community to ensure provision of adequate health care and support and to help others identify at an early stage when their changing health needs required a move to more appropriate accommodation or into Duchesne House, our care home.

In October 2021, a small group of sisters with the support of staff members, Susan Houston and Susan Thomas, initiated an online session on dementia for members of the province who wished to participate. This event enabled participants to share their experience of living with religious sisters or family members who have dementia. It was also an opportunity to explore related issues, ask questions and raise concerns and anxieties.

One participant acknowledged that while “the impact of sharing and listening to these experiences was at times harrowing, it also helped us to develop our understanding of the condition and how it affects not only the person with dementia, but equally and perhaps more so, the people who love or care for them”.

***Support for those in leadership***

During the year, members with specific responsibilities, such as the Provincial and members of her Team, have attended meetings on-line with their European counterparts. These meetings which usually aim to address matters of common concern or interest, became real opportunities for personal and group support particularly for provincials. In March 2022, the regular meeting of European Provincials took place through Zoom. This meeting took place shortly after the invasion of Ukraine and our sisters in Poland and Central Europe were directly impacted by the floods of refugees crossing their borders. Our meeting focused on a coordinated response to the humanitarian crisis engulfing our region.

In November-December 2021, the Provincial and delegate from the province of England-Wales participated in a Special Chapter conducted by Zoom. This extraordinary Chapter was called to further the discernment of the future governance structures of the Society and to explore the re-distribution of resources across the congregation. It marked a pivotal stage in a process which had begun to emerge out of the General Chapter of 2016.

An International Planning Commission was established to study the material from the Special Chapter. In June 2021, this group held Zoom meetings with individual Provincials and Teams where proposed new structures and entities were studied and discussed. The Provincial and Teams of the Provinces of England/Wales and Ireland/Scotland also met by Zoom, to reflect on issues of mutual concern and to share responses to the proposals emerging from Special Chapter 2021.

## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### *Support for those in leadership (continued)*

In November 2021, at the province day, we continued our work related to our legacy process. Earlier in the year, sisters had identified four areas of priority in relation to the future planning of the use of our resources: Our educative mission, ecological justice, our concern for issues of social justice and spirituality. In November, we began to identify areas of those priorities which we wanted to support with our resources and how we might best be able to do that. The Provincial Team left the meeting with a mandate to explore structures such as charitable trusts.

Throughout the year the province engaged in consultations and discernments in relation to housing and mission priorities. The housing consultation resulted in the decision to build 10 self-contained flatlets around a common space on the Duchesne House campus site currently occupied by New House in Roehampton. This will provide a form of intermediate accommodation for sisters who need more support but who are not yet ready for care in Duchesne House. Once it is ready for occupation, it will enable the gradual release for sale of properties unsuitable for the needs of the current membership.

In June 2022, the Province of England/Wales held the first face to face residential provincial assembly in three years. We used part of the meeting to review and reflect on the experience of the pandemic, to catch up with each other and think about our future. In addition, the Provincial Team presented the initial building plans for the Roehampton building project for consultation.



## **Governance**

In summer of 2021, the Society recruited for several key posts including Executive Director, Operations Manager and Executive Assistant. This followed a process of reflection and consultation which was conducted across the Finance Advisory Committee (FAC), the Trustees and the Provincial Team. The groups considered the present and future administrative needs of the province, and led to a streamlining of functions of the provincial and finance offices. Many of these changes were actioned in the period covered by this report.

The FAC and trustees, considered what structures were now needed for the oversight, management and distribution of the financial and material resources in the province and for the provision of good governance. A fruit of this review actioned during the year covered by this report was the decision to open up the composition of FAC to the possibility of working more closely with lay financial advisors. Exploratory conversations have taken place with the Financial Advisor we have engaged to support our finance functions, David Marett. As a starting point, David receives and comments on the papers prior to the FAC and Investment Committee meetings ensuring that we have a professional finance input on discussions and proposals made to the Provincial Team. It is anticipated that David will start to attend some FAC meetings in the coming year.

In January and February 2022, in-service training, led by the Provincial, was provided by the Society for all new members of staff. Specific training in the areas of safeguarding and administration is offered to members of staff as needed.

**Review of activities** (continued)

♦ **Support of the members and their charitable works** (continued)

***Safeguarding***

Along with other religious orders in the Church, the Society has sought to support the Roman Catholic Church's "One Church" approach to safeguarding children and vulnerable adults. The Provincial and trustees engaged in the consultation process for the new Religious Life Safeguarding Service (RLSS) and appointed a new lay safeguarding officer, Lisa Lucas. This appointment is minimum part-time and shared with another religious order. The named trustee responsible for safeguarding presented a report and update on our safeguarding provision to the Trustees in February 2022.

Throughout the year, Lisa has developed a safeguarding audit of the province. This enabled her to identify the strengths and needs of the province and its staff in relation to safeguarding. With this information, Lisa developed training for trustees and staff, including those working at Duchesne House care home, and she is working towards preparing the province for audit by CSSA (Catholic Safeguarding Standards Agency) following their publishing of the 8 safeguarding standards that religious need to comply with. Lisa works with our managers and is ensuring that our processes, policies and training records are established and up to date.

***Duchesne House***

We offer care to our sick and frail sisters in Duchesne House, a 16-bed unregistered care home run by an experienced manager. Duchesne House exists to provide care for members of the Society, none of whom have resources of their own and all of whom have dedicated their lives to the educative mission of the Society of the Sacred Heart. The care manager and her staff ensure that members of the congregation receive the appropriate level of care they require and enable sisters to live life as fully as possible until the end of their lives.

At the beginning of the year 2021-2022, the Duchesne community numbered 10 sisters. In the course of the year, two sisters died, five sisters joined the community and several others had short spells there to recuperate from treatment and surgery. Due to careful management and infection control, residents remained largely free of Covid-19 throughout the year covered by this report, although visiting restrictions remained in place until Easter 2022.

In May 2022, Melody Marshall was appointed as care manager to replace Julie Murrin who had been in post for nearly twenty-seven years.

Undoubtedly, the pandemic and lockdown restrictions had seriously impacted the life of the residents in Duchesne House. As Duchesne House is not currently registered with the CQC, the Society organized an independent audit of standards by an external assessor. Unfortunately this was postponed twice because of Covid. A successful audit was finally completed in summer 2022 and the report produced was very positive.

In February 2022 a new part time experienced activities coordinator, Pauline Ramsey, was appointed and as lockdown lifted a broader programme of activities and excursions became possible again. Pauline holds a similar part time role with the Medaille Trust at St Mary's Convent in Hayes, a property which the Society owns. This appointment was in response to a request made by the Duchesne community themselves. In addition, previous activities resumed including the fortnightly Friday visit of pupils from the neighbouring Sacred Heart primary school, who join the community to celebrate mass.

### Review of activities (continued)

#### ◆ Support of the members and their charitable works (continued)

##### *Duchesne House (continued)*

Within the house, the community remain active and engaged with the world around them welcoming visitors and continuing to live their ministry in many ways. They are encouraged by the pastoral team and care manager to continue to contribute and live the mission of the Society in whatever way they feel able.

Sister Mary Wright (pictured) makes and sells Christmas cards, and the proceeds go to Water Aid (see picture).

Sister Anne McCarthy is the province link to the Society's office at the United Nations. She regularly disseminates information and resources from that office. In Duchesne, the sister's skills and interests remain relevant and in sympathy with many of the problems and issues of today's world.



#### ◆ The relief of poverty

The Society's commitment to the poor and the marginalised and to justice, peace and the integrity of creation, permeates our lives and choices as individuals, local communities and as a province community. Much of our commitment to this aim is fulfilled through individual or local community involvement with a specific charity or project. Some examples of these are outlined below.

For many years, Sister Chis Austin has supported Traidcraft, which campaigns for ethical standards and fair-trading practices. As pandemic restrictions lifted, her work in this area began to increase with more face-to-face contact making campaigning more effective.

Most individuals and communities in the province made a commitment this year to support their local foodbanks with regular donations of food and financial support. In addition, the province donated money to the Digby Stuart College food poverty fund and contributed to a reflection on student food poverty which has provoked an ongoing response to this issue in the College. We also offered support to pupils and families in our four state schools struggling with food poverty. This year's Ministry Support Fund also offered financial help to several charities addressing food poverty.

The Society's long association with FAR, (the Fenham Association of Residents) in Newcastle upon Tyne, was acknowledged in summer 2022, by the announcement of an award to Sister Doreen Bell (see picture) for long service to the local community. Doreen, who is aged 90 has completed 46 years of service to FAR which was originally founded by the Society and continues to be supported by our Ministry Support Fund.



### Review of activities (continued)

#### ♦ The relief of poverty (continued)

The province's Ministry Support Fund (MSF) gives grants every year of varying amounts to projects and organisations nominated by RSCJ who are in some way associated with them. Some of these are local projects and this year we again gave a donation to the Glass Door which is one of our local Homeless Charities in West London and the Hammersmith and Fulham branch of the Trussell Trust which funds foodbanks. Our gift to Glass Door was used to enable homeless men and women to access night shelters and hot meals and case workers to spend more time working with clients to help find routes out of homelessness to a more stable future which includes finding employment.

This year, the MSF fund also supported projects in our local parish in Roehampton which address the needs of vulnerable families and several projects addressing the needs of migrants and refugees in different parts of London and the North East. We regularly give money to the Cardinal Hume Centre to support the homeless hostel, to create a safe space for mothers facing domestic violence and to support staff working with migrant and immigration issues.

In addition to the Ministry Support Fund, this year, the province made "one off" emergency donations to sectors that are experiencing great need. These have included charities working with victims of disaster, the homeless, migrants and refugees as well as contributions to special appeals of the international Society such as the Ukraine Fund.

Throughout the year covered by this report, Silvana Dallanegra continued to work as a staff member with Caritas, the social action agency of the Diocese of Westminster.

Before the pandemic, our sisters in Boleyn Road, a community based in an area of urban deprivation in the East End of London, had hosted a refugee through the Jesuit Refugee Service and taught English to migrants. Both these services had to discontinue during the pandemic but with the gradual lifting of restrictions they have continued to find ways to build up a sense of neighbourhood in a multi-cultural, multi-faith setting.

#### ***Work with Victims of Human Trafficking and Slavery***

The Society's relationship with and support of the Medaille Trust continues to develop and grow. Sister Jane Maltby RSCJ is vice chair of the trust which has strong historic connections with Catholic Religious. The Society continues to provide St Mary's Convent as a property which currently houses 26 women and 9 children who are awaiting decisions on their application for asylum on the grounds of being trafficked. Such applications can take over 2 years and the Society recognises the importance of safe secure accommodation with dedicated staff.



Review of activities (continued)

♦ **The relief of poverty** (continued)

***Work with Victims of Human Trafficking and Slavery*** (continued)



An Activities Coordinator, a post which provides art therapy, yoga and activities to the women, has also taken up a part-time post as Activities Coordinator at Duchesne House care home. The Society now fund this post for the Medaille Trust from the MSF. The establishment of this post, held by Pauline Ramsey, has fostered even greater direct links between the Medaille Trust and the sisters living in Duchesne House, many of whom had lived in St Mary's Convent themselves.

The sisters in Duchesne have enjoyed hearing directly about the women now living in St Mary's. Some have offered their support by making clothes for babies and children. Sister Mary Grant (pictured) was knitting for the 5 babies who were due to be born this year.

Recognising the need to keep the women safe and comfortable, whilst maintaining its own property, the Society this year approved £65,000 of expenditure for maintenance and updating of St Mary's as part of the MSF process.

♦ **The advancement of the Roman Catholic religion**

Since its foundation in 1800 the "end and mission" of the Society of the Sacred Heart has been to make known the love of God, and all members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying Gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

Some of our members carry out their ministries in specifically Roman Catholic contexts, but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charity. Members contribute to the achievement of this objective through their work in:

- ♦ ***Spirituality ministry*** – spiritual and retreat direction, formation in faith and prayer, retreat centre.
- ♦ ***Chaplaincy ministry***
- ♦ ***Parish ministry***
- ♦ ***Ecumenical and inter-faith dialogue and collaboration and the facilitation of faith groups.*** This is often an underlying aspect of our work in spirituality in general, and includes activities in multi-cultural, multi-faith settings such as Forest Gate in East London.

## Review of activities (continued)

### ♦ The advancement of the Roman Catholic religion (continued)

#### ***Spirituality ministry***

Several members of the province engage in ministry as spiritual and retreat directors. This often takes place in an ecumenical context and in retreat centres run by others. This year Steph was involved in Retreats in Daily Life with three different groups and continued to offer ongoing spiritual accompaniment to others. For her it is a way of “showing an interest in and valuing each individual and his or her life and as an educator, sometimes suggesting ways they can develop their spiritual lives.” Other sisters worked with individuals or on teams in on-line or face to face spiritual accompaniment.

Steph participated in bereavement support ministry and Sheila continued to teach on the ongoing professional development course for spiritual accompaniers offered by St Anthony’s Priory in Durham. Her on-line work also extended to retreat giving and supervision.



Our own small centre, Llannerchwen, in Brecon, Wales, offers opportunities for people from all walks of life to enjoy silence and solitude, with spiritual accompaniment if desired. In spring 2021 the centre re-opened after Covid and it has been steadily building up a mixed clientele of new visitors and returning visitors from pre-pandemic days. The team providing retreats are mixed lay and religious and the visitors are from a variety of faith traditions.

Reflection concerning the longer-term sustainability of the Llannerchwen project began in early 2022 with a decision to approach another centre concerning the possibility of partnerships in the future.

#### ***Chaplaincy ministry at Digby Stuart College, Roehampton University***

The Society funds the post of the Digby Stuart Chaplaincy Community worker. This post is important in helping to build up the Barat House Intentional Community which is an ongoing commitment with Southlands College. The community was heavily impacted by lockdown restrictions, and it became difficult to maintain a student presence throughout the academic year.

By the time of the September 2021 intake it was clear that there would be no resident community in Barat house for the first term of the new academic year. Despite this, the Society committed to funding the post of the Digby Stuart Chaplaincy Community worker again and Julia Tomas was appointed. Julia, along with her colleague whose post is funded by the Southlands Methodist Trust, worked throughout this year to rebuild the community in Barat House and all the indications are that by the new term in September 2022, there will be a community of five students or more.

#### ***Parish ministry***

All sisters are parishoners in their local Catholic churches and contribute to the life of these faith communities in many different ways. Some of our sisters participate in faith sharing groups, as readers and eucharistic ministers. Others contribute to church cleaning teams.

## Review of activities (continued)

### ♦ The advancement of education

The Society of the Sacred Heart was founded in Paris in 1800 in the aftermath of the French Revolution, with the aim of aiding the rebuilding of a fractured society through the Christian education of girls. In this Province we expanded from providing schools for girls to running co-educational primary schools, secondary schools and teacher training colleges, one of which is now incorporated into the University of Roehampton. Over the past fifty or so years, however, as our understanding of education broadened, many of our sisters moved out of working in schools, with several re-training and working in related fields, and newer members discerning different ministries according to their background and skills.

Whatever we do, there is a strong educational dimension to the lives of all of the members which permeates all our ministries, service and relationships. This implies a willingness to be open to accept, listen to and learn from others and a generosity of spirit which leads each one to give freely from her experience and wisdom, desiring the growth and development of the other. For many, this daily effort to live in genuine relationships of mutual interaction is lived out in a variety of contexts and in collaboration with many other people so that together all may grow.

We no longer have sisters teaching in formal education but some work in informal settings or as school governors and trustees. RSCJ constitute the body of the Academy Trustees at the Sacred Heart School in Hammersmith and sisters regularly contribute to interview panels and staff formation at both Hammersmith and Fenham. Lorraine continues to teach dance and train other dancers. Margaret supports the work of the network of schools. Cath facilitates the work of other congregations and assists groups with strategic planning. In summer 2021, through her work with Caritas, Silvana Dallanegra was nominated for an award for her work in schools.

### ***The Sacred Heart Schools and College Network***

During the year of the pandemic, 2020-2021 the schools had adapted admirably to the challenges brought about by Covid and lockdown. The priority of the schools and college network team was to adapt its ways of supporting the mission in our educational institutions. Contact was maintained throughout the year in a variety of ways, but one especially valued by our colleagues was a weekly prayer every Tuesday, sometimes accompanied by an item of news/information. The weekly Tuesday prayer remained even as schools emerged from lockdown in early 2021 and it has proved to be a well-used resource, shared with staff, pupils and parents.

One aim of the network has always been to produce formation materials suited to our schools in England. The appointment of Ann Gregory as Network Goals Co-ordinator and the space provided by the pandemic had provided a window to develop materials. In the summer term and school holidays of 2021 the team worked on the formation materials so that they were ready for the start of the new term in September 2021 and could be used for in-service training. They were uploaded onto a software platform called Padlet to make them accessible. The emphasis was on making them accessible in other ways too so that the language would be clear for all teachers, whatever their discipline.



**Review of activities** (continued)

♦ **The advancement of education** (continued)

***The Sacred Heart Schools and College Network*** (continued)

As time went on in 2021 and restrictions lifted, the schools network personnel gradually got back into the schools. Planning resumed for face-to-face activities for both staff and students. One of the priorities for the new academic year was to bring the network together again: the school leaders, the Goals Coordinators, the Chaplains. In October 2021, Hilary Thompson, the network coordinator and Sister Margaret Wilson RSCJ, took school leaders to Janet Stuart's home in Cottesmore via Exton, in a quiet part of Rutland Water. (Janet Stuart was a renowned and influential English RSCJ educator of the last century.) The visit was repeated later in March 2022 with the Goals Coordinators and chaplains. The leaders came together again in late April in Newcastle and on Lindisfarne. RSCJ contribute to input at many of these gatherings which also offer support and networking opportunities for the leaders of our network schools and college.

The new RSCJ community in Fenham, Newcastle also provided a welcoming physical space for gatherings of school chaplains and goals coordinators. In December 2021, it provided a setting to look again at the principles behind the Goals of Sacred Heart Education, as well as sharing ideas for the rest of the year, based on the Goal of Intellect.

In early February 2022, a third Online Conference took place for students of Sacred Heart schools across Europe. This first conference involving 70 European School and College leaders had been organized in 2021 with network colleagues across Europe in partnership with the Society's International Justice, Peace, and Integrity of Creation Team (JPIC). After the last one in 2021, the students asked for more opportunity to talk to other students. The young people who spoke up in the feedback sessions were very articulate and passionate about their JPIC (Justice, Peace and Integrity of Creation) linked projects, ready to praise their peers. One fruit of the preparation for this meeting was the strong working relationship which has developed between the ENW Network team and the new Network Coordinator in the Ireland/Scotland/Malta Network.

Another important task for the Schools Network staff this year has been the development of their section on the new province website.

During the course of the year 2021-2022, the province's schools network coordinator, Hilary Thompson, decided to retire. Hilary's decision led to a time of review and reflection with the provincial and team about what the network has achieved, how it could develop and on all the different roles. As part of this process, the network staff did a light touch consultation with our colleagues in the schools and a whole range of possibilities and needs emerged, which were presented to the provincial team as they discussed the way forward for the network. In June 2022, the Society appointed Vicky Lorenzato to the team, as the new coordinator of the network of schools.

The Society's concern for families struggling during the pandemic continued and was realised in the £9,000 of grants awarded through the Ministry Support Fund to the four state funded schools for the relief of poverty. The pandemic had placed many more families in our schools into food and other kinds of poverty. In addition, the rise in the cost of living and energy prices meant "just managing families" could no longer manage; and already deprived or unstable families now carried extra pressures. As the schools returned to more "normal" working practices, the impact of sudden loss of income and changed circumstances had repercussions on the discipline and mental health of young people and their families.

## Review of activities (continued)

### ♦ The advancement of education (continued)

#### ***The Sacred Heart Schools and College Network (continued)***

Our schools continued to fundraise for RSCJ projects around the world. Discussions began in June 2022, between the ENW provincial and the staff team of our network of schools concerning the possibility of our network fundraising to support our sisters in Uganda-Kenya as they build a new secondary school in Eldoret, Kenya.

#### ***University of Roehampton***

Cath Lloyd RSCJ in her role as provincial, regularly attends meetings of the Foundation Liaison Group which is made up of representatives of the providing bodies of the constituent colleges of the University of Roehampton.

In May 2022, Cath in consultation with the University, re-constituted the Digby Stuart Liaison Group. The DSLG has two main objectives. To help maintain and develop the relationship between the Society, the College, and the wider University community and to help the Society to understand how to go on enriching the community life of the college and the work of the chaplaincy in ways that reflect the values and ethos of the Society of the Sacred Heart. Work is ongoing in terms of developing the terms of reference of this group.

The Society were represented in the interview process which appointed the new Head of Digby Stuart College, Francis Davis, who took up his post in January 2022. The Provincial meets regularly with the Head of College and through the DSLG seeks to support the development of the mission in Barat House and to explore ethos within the college. (Barat House is a residence on the campus of Digby Stuart College part of the University of Roehampton, occupied by a small community of students.)

#### ***The Sanctuary scholarship***

From September 2020, the Society has provided funding to the University for sanctuary scholarships. This money is awarded annually to students whose access to undergraduate study

at the University of Roehampton is impacted by their immigration status. The Society is involved in the process of selecting the recipients.



One recipient this year wrote of the struggle with his mental health while he waited to hear if his asylum application had been accepted. Being able to study had contributed to creating stability in his otherwise unsettled world. "I am looking forward to learning more throughout my course and it is amazing to get into university life and be part of the activities on campus. I hope by the time that I finish my degree in sports science that my situation will be sorted, and I will get my residency in the UK. I want to try to work in the sports industry and my main goal is to work at Manchester United football club."

*Sister Cath meets with Sanctuary scholars.*

**Review of activities** (continued)

♦ **The advancement of education** (continued)

***The Sanctuary scholarship** (continued)*

Once again grants from our missionary support fund have also helped build up and support educational initiatives at home and abroad. In March 2022, we contributed funds to the Pax Christi Peace Education Fund, the Shannon Trust, which supports and mentors learning and literacy in prisons, and the Butterfly Tree project, where our grant was used to support HIV education and build shelters for mothers and children in Zambia.

**Future plans**

- ♦ We will continue to collaborate with the General Council, International Planning Commission, and other provinces of the Society to implement the decisions concerning the re-structuring of the governance of the Society and the re-distribution of resources, especially those endorsed by the Assembly of Provincials in December 2022.
- ♦ We will begin to make preparations for a General Council visit in February 2023.
- ♦ We will begin planning our process towards the Provincial Chapter in July 2023.
- ♦ We will continue the work of reviewing the province's strategic plan for the use of our assets and resources for the sake of mission and make adjustments as needed. We will endeavour to move on our planning for the long-term use of our assets and our thinking around our legacy.
- ♦ We will implement our decision regarding a housing project in Roehampton for Sisters. A decision was made by the Trustees to build 10 individual flats with shared community spaces on land adjacent to Duchesne House. These purpose built flats will enable Sisters to retain their independence in accommodation to deal with changing needs as and when they occur. This will provide supported living and proximity to healthcare professionals. The development on site will commence in Autumn 2023 and the flats should be ready to occupy in Autumn 2024. The existing building that comprises New House, will be demolished to allow for the new building. When sisters transfer to the new flats, decisions can be made about disposable or repurposing of the accommodation they currently occupy.
- ♦ We will give careful consideration to our property requirements in the near- and long-term future and the financial implications of this including resources required for upkeep and maintenance.
- ♦ We will complete the work of restructuring our administration and seek to appoint people to key posts and ensure succession planning.
- ♦ With our members, and the Finance Advisory Committee and Trustees, we will implement the decisions made concerning the structures we need for the oversight, management and distribution of our financial and material resources in the Province and for the provision of governance. These include creating a lay advisory group to Trustees.

## **Relevant policies**

### ♦ **Investment policy**

The charity has a portfolio of listed investments which had a value of £36,453,245 at 30 June 2022.

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

The listed investments are managed by CCLA Investment Management Limited, which operates within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees takes into account income requirements, the risk profile and, in respect to listed investments, the investment manager's views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five year period. The investment policy requires the investment manager to take account of the ethical, social and environmental concerns of the trustees as expressed in the policy.

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2021-2022 has been met.

The performance of the charity's listed investments has worsened compared to last year with the portfolio giving a capital return of minus 5.49% (2021:15.54%). The income yield for the year was 2.88% (2021: 3.05%).

The charity has funds invested with Oikocredit, Ecumenical Development Co-Operative Society U.A. This is an ethical investment which is not held specifically to make a financial return but is held in support of development projects which benefit disadvantaged and marginalised individuals. As a result, these funds are deemed programme related investments and are included on the balance sheet at cost. The cost of the funds held at 30 June 2022 was £245,844.

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent, and another property that is leased to the Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. These represent properties which are not held specifically to make a financial return and directly further the charitable purposes of the charity. As a result, these properties are considered to be programme related investments and have been included on the balance sheet at deemed cost, less any provision for diminution in value, of £1,050,000 and £600,000 respectively.

The trustees are satisfied that the charity's investment objectives are being met.

### ♦ **Donations and grant making policy**

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

**Relevant policies (continued)**

♦ **Donations and grant making policy (continued)**

During the year £298,100 was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

♦ **Fundraising policy**

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received by the charity it would be handled by a senior member of staff or trustee.

**Financial review**

The Province now has 40 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity, any earnings have been covenanted to the charity. However, as the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. With 90% of the Province at retirement age, the investment income will continue to be relied upon by the CIO to supplement the decline in salary and pension income. Sufficient funds need to be built up by the CIO to ensure that investment income will guarantee the continuance of ministries, development of the Novitiate, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment “to radiate the very love of the Heart of Christ through love and service” (Constitutions Para 7).

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year's results can be found on page 32 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £2,139,785 (2021: £2,038,395).

Expenditure totalled £3,421,066 for the year, of which £615,729 related to the impairment of the New House property and £298,100 related to donations made to other charities plus the annual contribution to the Generalate.

Net expenditure for the year amounted to £1,281,280 before net investment losses of £2,116,252 which gave rise to a net decrease in funds of £3,397,532.

**Financial review** (continued)

***Reserves policy***

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work and the on-going commitment to support members of the Society, the level of free reserves should be approximately equal to one year's expenditure on unrestricted funds.

The trustees are of the opinion that this provides sufficient flexibility:

- ◆ to cover temporary shortfalls in income due to timing differences in income flows;
- ◆ to ensure adequate working capital for core costs; and
- ◆ to allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

***Financial position***

The balance sheet shows total funds of £50,137,531 (2021: £53,535,063) and of this £7,976,975 (2021: £7,647,612) represents the tangible fixed assets used by the Sisters. The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day to day work of the charity. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Similarly, those investments classified as programme related investments are represented by a separate designated fund - the programme related investments fund. These investments comprise land and buildings, which are owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

An amount of £15,000,000 (2021: £14,500,000) had been designated by the trustees to provide for the Sisters in their retirement. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of who will need increasing support and increasingly expensive residential and nursing care. There is also a designated fund of £1,579,138 (2021: £1,668,857), designated to care for the elderly religious in Malta.

A future strategy fund of £15,000,000 (2021: £20,000,000) has been established and consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

## Financial review (continued)

### *Financial position (continued)*

The building maintenance fund of £5,000,000 (2021: £nil) has been set aside to support an action plan for the charity's properties, several of which are in need of substantial maintenance work.

The ministry support fund will be used to support charitable work and at 30 June 2022 amounted to £500,000 (2021: £500,000), whilst the society restructuring fund of £2,500,000 (2021: £2,500,000) will be used to support the international work of the Society. The Barat House Hostel fund of £58,719 (2021: £60,008) represents the net assets of Barat House and has been designated for use by the House only.

Funds which are available to support the work of the Sisters in the future are shown on the balance sheet as general funds and amount to £621,854 (2021: £4,758,965).

The trustees are aware that this level of reserves is below the amount required by the above policy but are also aware this has been caused by stock market volatility.

### *The charity's assets*

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

## Governance, structure and management

### ◆ Trustees

On 1 July 2022, Sister Catherine Lloyd began her second three year mandate as Provincial Superior, supported by her Provincial Council – Sister Marianne Tavares, Sister Sheila McNamara and Sister Margaret Wilson.

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. The trustees are selected from the members of the Province of England and Wales based on the skills and knowledge they can bring to the trustee role. All have previous experience of being a trustee and have received information and training on the role and responsibilities of trustees. At any one time there must be a minimum of six trustees but not more than twelve trustees.

Since the year end, one Trustee has resigned and two new Trustees have been appointed.

Brief biographic details of the trustees in office during the year to 30 June 2022 are as follows:



**Sister Christine Austin** is a retired teacher who worked in Secondary Education in the Society's boarding schools at Woldingham and in Kalungu, Uganda. She also taught at St Julian's in Malta. For the last 25 years she has done voluntary work promoting Fair Trade, particularly with Traidcraft and has been involved in raising awareness of Third World issues. Sister Christine is a member of the Finance Advisory Committee.

## Governance, structure and management (continued)

### ◆ Trustees (continued)



**Sister Christine Edwards** has held a variety of teaching posts in the course of her professional career and has also engaged in youth work. Her last post was as chaplain at a diocesan girl's school in London. She was a member of the Provincial Team for several years until summer 2022 when she retired from this position. Chris serves as one of the Society's representatives on the Council of the University of Roehampton.



**Sister Catherine Lloyd** has a background in formal education and ministry with young people working at different times and places as a teacher, Head of Department and Head of Middle School. After training in spiritual accompaniment and counselling, she worked as a School Chaplain at the Sacred Heart High School in Hammersmith. Cath spent some years in the Society's mission in Indonesia.

On returning to the UK, she worked in the area of Formation for her own congregation and for Conference of Religious of England and Wales.

This was followed by eight years of international service on the General Council of her congregation in Rome, after which Cath returned to the UK and her ministry of facilitation in the UK and abroad. Cath took up post the of Provincial in July 2019.



**Sister Sheila McNamara** has worked for many years in Primary Education as a classroom teacher, Deputy Headteacher and Acting Headteacher in schools on Tyneside and North London. Following further study in Dublin in 2000, she continued her journey in education as Diocesan Primary Schools Adviser first in the Archdiocese of Westminster for six years and then in the Diocese of Hexham and Newcastle for seven years. Sheila's present ministry is in spirituality and she works part time in an ecumenical Spirituality Centre in Durham accompanying others on their spiritual journey, leading days of reflection and retreats. She has served on a number of Provincial Committees and is at present a member of the Provincial Team.



**Sister Lorraine Pratt** has spent almost all of her life working in education: as Head of Department in the Sacred Heart Comprehensive School in Newcastle; as a Diocesan Youth Officer; as a school chaplain; and then as Chair of Governors at the Sacred Heart School in Hammersmith, school chaplain and living with the student community both in Oxford and London. At present, she is a member of the Province initial formation team and works with adults teaching dance meditation as a medium for both enjoyment and spiritual growth.

## Governance, structure and management (continued)

### ♦ Trustees (continued)



**Sister Stephanie Romaine** has taught in both Tunbridge Wells and Woldingham boarding schools from 1971-86 and been part of the handover to lay management in both schools. From 1987-90 she helped set up and then worked as the administrator in a Neighbourhood Mediation Scheme in Leeds where she was also involved in training mediators. At the same time she began training as a counsellor and then as a counselling supervisor and after several years practice, completed her training with a psychotherapy qualification. As a supervisor she worked with counsellors in a drug and alcohol project, and also with trainee counsellors in two independent charities as well as offering counselling to several employee assistance programmes within her own private practice. From 2001-07 she was a member of the Provincial Council. In 2006 she moved to Brecon and with one other Sister helped run the Society's retreat centre, Llannerchwen, for 10 years. During that time Steph trained as a spiritual director. Since leaving Brecon in 2016 she has continued to offer spiritual direction to deacons, ordinands, and other lay people in the Northeast of England. She has had two terms of involvement in the training of the Society's young Religious.



**Sister Margaret Walshe** is a retired teacher who has taught in schools for the Society in Tunbridge Wells, Woldingham, Fenham and Malta and been a lecturer in Professional Education at Roehampton University. She has served on the Executive Committee of the Provincial Bursars Association and was Provincial Bursar from 1996 to 2007. Between 1989 and 1995 she was a member of the Provincial Council. Meg has been on the governing bodies of Digby Stuart College, the schools in Fenham and Woldingham and been a member of Roehampton University Council. Meg retired as Trustee in September 2022.



**Sister Margaret Wilson** entered the Society after completing her Teacher Training in Newcastle upon Tyne. She taught in Sacred Heart schools in Tunbridge Wells and Woldingham before moving to Hammersmith Sacred Heart High School in 1977 to become Head of the Religious Education department. During this time she completed a Masters in Religious Education at Boston College. Margaret has worked in formation and in Provincial administration in the Society. For the last three years she has been a member of the Provincial Team.

### ♦ Trustees' responsibilities statement

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)

◆ **Trustees' responsibilities statement** (continued)

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year 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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

◆ **Management**

The trustees have the final responsibility for the policies, activities and assets of the charity. They meet annually to review developments with regard to the charity and to make significant decisions. The day-to-day management of the charity's activities and the implementation of policies are delegated to:

- ◆ the trustees who, with the Provincial Superior, form the Provincial Council; and
- ◆ the Finance Advisory Committee; and
- ◆ the appropriate senior staff.

◆ **Key management personnel**

The trustees consider that they, together with the Executive Director, Finance and General Manager and the Care Manager of Duchesne House comprised the key management of the charity during the year in charge of directing and controlling, running and operating the charity on a day to day basis.

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

### ♦ **Key management personnel** (continued)

All trustees are members of the Society and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of the Finance and General Manager and the Care Manager of Duchesne House is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives.

### ♦ **Connected charity**

Details of the connected charity are given in note 22 to the attached accounts.

### ♦ **Risk management**

Risk is regularly discussed at trustees' meetings, the Investment Committee and Finance Advisory Committee. The following risks have been identified as on-going:

The Society realises that it's increasing reliance on professional lay colleagues means that recruiting and retaining key staff is essential.

The increasing cost associated with needing more staff to undertake functions previously held by sisters is something that is constantly monitored.

The Society has a large property portfolio which requires ongoing maintenance and re development. Much of this accommodation is no longer suited to sisters living needs, and this needs to be replaced with purpose built accessible accommodation.

The Society's investment portfolio is likely to be negatively impacted by the changes to the economic climate and increased costs that are in part due to the war in Ukraine and the impact of that.

The need for increased support to sisters both within community houses and Duchesne House is something that is constantly being reviewed by the provincial Team and there is a realisation that this will increase further.

### ◇ **Safeguarding**

Members of the Society work with children and adults, including older people, and the trustees recognise the importance and necessity of ensuring the protection and safety of all those that the charity will serve. This means that Sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

Staff employed at Duchesne are also required to obtain clearance from the Disclosure and Barring Service and also undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The Province is currently aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative. Along with other religious orders the Society is committed to the "one church" approach to safeguarding which will involve participating in new safeguarding structure being adopted for religious orders in the Catholic Church, the Religious Life Safeguarding Service. The Society is also collaborating with another congregation in the employment of a new safeguarding representative from outside the congregation.

## Governance, structure and management (continued)

### ♦ Risk management (continued)

#### ◇ Loss of key staff

The people who work for the charity will be a key resource and the charity will do all it can to ensure that its employment practices reflect current best practice and fulfils its duty of care to employees. The charity is reliant on a small number of key staff including, the Care Manager at Duchesne House, HR Advisor and Healthcare Advisor. The latter role was developed to support Sisters who wish to continue to live independently in communities outside Duchesne House for as long as possible, by providing them with confidential healthcare advice and support. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives. Wherever possible, the charity will aim to enable staff to develop their skills and knowledge so as to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity.

#### ◇ On-going needs

The refurbishment of Duchesne House is now complete other than landscaping the grounds. Following this a consultation took place within the Province, which has revealed the need for accommodation for those who require some measure of support but are not ready to join the care home community. A community house within the grounds of the care home has been identified and a working group has been established to refurbish the property to meet the needs of its future residents.

#### ◇ Age profile of the members and over-commitment of a few in administration

An analysis of the age profile of the members of the Society shows that the average age at 30 June 2022 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the older Sisters. None of the Sisters have 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. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care in the years ahead by setting aside assets in a designated fund, the value of which is based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

The age profile of the members is also relevant in terms of identifying those who are both willing and able to serve as trustees of the charity in the future. This matter has been given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisory group that might be consulted by the trustees.

#### ◇ Maintenance and upgrading of properties

All properties will continue to be reviewed for their current use and needs and a rolling maintenance plan is in place in order to ensure the properties are upgraded and maintained. This is an ongoing review and process.

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

◆ **Risk management** (continued)

◇ Health and safety

Health and safety is an area taken very seriously. Policies will be reviewed and developed on a regular basis.

◇ Housing and long-term care needs

The Provincial is working with the Healthcare Advisor, who is a Registered Nurse, and other key experienced staff, to look at options for providing for the long-term health and well-being of all sisters in the Province. The Society is engaging in the wider debate on this topic by involvement with the Conference of Religious and other Congregations directly as it is recognised that this issue is one shared by many Religious Orders. Work is ongoing in looking at the suitability of the properties owned by the Society and how adaptations and flexibility can ensure these properties can continue to be occupied by Sisters.

In summary, the trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas, investments and finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, by having in place appropriate insurances and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Approved by and signed on the behalf of the trustees:

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 22 February 2023

## **Independent auditor's report to the trustees of the Society of the Sacred Heart CIO**

### **Opinion**

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, principal accounting policies and the 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 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 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' annual 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.

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

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Performed substantive testing on expenditure; and
- ◆ Tested journal entries to identify unusual transactions.

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

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management 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 144 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

18 April 2023

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 30 June 2022

|                                                                 | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2022 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ |
|-----------------------------------------------------------------|-------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <b>Income from:</b>                                             |       |                         |                       |                       |                         |                       |                       |
| Donations and legacies                                          | 1     | 707,992                 | —                     | 707,992               | 722,491                 | —                     | 722,491               |
| Investments and interest receivable                             | 2     | 1,161,835               | —                     | 1,161,835             | 1,159,101               | —                     | 1,159,101             |
| Charitable activities                                           | 3     | 17,606                  | —                     | 17,606                | 31,250                  | —                     | 31,250                |
| Other sources:                                                  |       |                         |                       |                       |                         |                       |                       |
| . Surplus on disposal of tangible fixed assets                  | 4     | 120,108                 | —                     | 120,108               | —                       | —                     | —                     |
| . Miscellaneous sources                                         | 5     | 122,244                 | 10,000                | 132,244               | 125,553                 | —                     | 125,553               |
| <b>Total income</b>                                             |       | <b>2,129,785</b>        | <b>10,000</b>         | <b>2,139,785</b>      | <b>2,038,395</b>        | <b>—</b>              | <b>2,038,395</b>      |
| <b>Expenditure on:</b>                                          |       |                         |                       |                       |                         |                       |                       |
| Charitable activities                                           |       |                         |                       |                       |                         |                       |                       |
| . Donations payable                                             | 6     | 298,100                 | —                     | 298,100               | 280,271                 | —                     | 280,271               |
| . Support of members of the Society and their ministry          | 7     | 2,496,959               | 10,000                | 2,506,959             | 2,417,363               | 5,631                 | 2,422,994             |
| . Provision of hostel accommodation                             | 8     | —                       | —                     | —                     | 12,102                  | —                     | 12,102                |
| . Provision of retreat accommodation                            |       | 278                     | —                     | 278                   | 37,298                  | —                     | 37,298                |
| . Impairment of freehold property                               | 13    | 615,729                 | —                     | 615,729               | —                       | —                     | —                     |
| <b>Total expenditure</b>                                        |       | <b>3,411,066</b>        | <b>10,000</b>         | <b>3,421,066</b>      | <b>2,747,034</b>        | <b>5,631</b>          | <b>2,752,665</b>      |
| <b>Net expenditure before net (losses) gains on investments</b> | 10    | <b>(1,281,280)</b>      | <b>—</b>              | <b>(1,281,280)</b>    | <b>(708,639)</b>        | <b>(5,631)</b>        | <b>(714,270)</b>      |
| Net (losses) gains on investments                               | 14    | (2,116,252)             | —                     | (2,116,252)           | 4,814,494               | —                     | 4,814,494             |
| <b>Net (expenditure) income and net movement in funds</b>       |       | <b>(3,397,532)</b>      | <b>—</b>              | <b>(3,397,532)</b>    | <b>4,105,855</b>        | <b>(5,631)</b>        | <b>4,100,224</b>      |
| <b>Reconciliation of funds:</b>                                 |       |                         |                       |                       |                         |                       |                       |
| Balances brought forward at 1 July 2021                         |       | 53,530,063              | 5,000                 | 53,535,063            | 49,424,208              | 10,631                | 49,434,839            |
| Balances carried forward at 30 June 2022                        |       | 50,132,531              | 5,000                 | 50,137,531            | 53,530,063              | 5,000                 | 53,535,063            |

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

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

## Balance sheet 30 June 2022

|                                                       | Notes | 2022<br>£        | 2022<br>£         | 2021<br>£        | 2021<br>£         |
|-------------------------------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                  |                   |                  |                   |
| Tangible assets                                       | 13    |                  | 7,976,975         |                  | 7,647,612         |
| Investments                                           | 14    |                  | 38,349,090        |                  | 42,145,456        |
|                                                       |       |                  | <u>46,326,065</u> |                  | <u>49,793,068</u> |
| <b>Current assets</b>                                 |       |                  |                   |                  |                   |
| Debtors                                               | 15    | 1,170,568        |                   | 1,091,869        |                   |
| Cash at bank and in hand                              |       | <u>3,064,905</u> |                   | <u>3,360,482</u> |                   |
|                                                       |       | 4,235,473        |                   | 4,452,351        |                   |
| <b>Creditors: amounts falling due within one year</b> | 16    | <u>(424,007)</u> |                   | <u>(710,356)</u> |                   |
| <b>Net current assets</b>                             |       |                  | 3,811,466         |                  | 3,741,995         |
| <b>Total net assets</b>                               |       |                  | <u>50,137,531</u> |                  | <u>53,535,063</u> |
| <b>The funds of the charity:</b>                      |       |                  |                   |                  |                   |
| Restricted income funds                               | 17    |                  | 5,000             |                  | 5,000             |
| Unrestricted income funds                             |       |                  |                   |                  |                   |
| . General fund                                        |       |                  | 621,854           |                  | 4,758,965         |
| . Tangible fixed assets fund                          | 18    |                  | 7,976,975         |                  | 7,647,612         |
| . Programme related investments fund                  | 19    |                  | 1,895,845         |                  | 1,894,621         |
| . Designated funds                                    | 20    |                  | 39,637,857        |                  | 39,228,865        |
|                                                       |       |                  | <u>50,137,531</u> |                  | <u>53,535,063</u> |

Approved by the trustees and signed on their behalf by:

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 22 February 2023

## Statement of cash flows Year to 30 June 2022

|                                                        | Notes | 2022<br>£          | 2021<br>£   |
|--------------------------------------------------------|-------|--------------------|-------------|
| <b>Cash flows from operating activities:</b>           |       |                    |             |
| Net cash used in operating activities                  | A     | <b>(1,846,664)</b> | (1,577,394) |
| <b>Cash flows from investing activities:</b>           |       |                    |             |
| Investment income received                             |       | <b>997,226</b>     | 968,131     |
| Interest received                                      |       | <b>13,269</b>      | 10,819      |
| Proceeds from the disposal of tangible fixed assets    |       | <b>376,050</b>     | —           |
| Proceeds from disposal of listed investments           |       | <b>231,339</b>     | —           |
| Purchase of tangible fixed assets                      |       | <b>(65,573)</b>    | (577,045)   |
| Purchase of programme related investments              |       | <b>(1,224)</b>     | —           |
| <b>Net cash provided by investing activities</b>       |       | <b>1,551,087</b>   | 401,905     |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>(295,577)</b>   | (1,175,489) |
| <b>Cash and cash equivalents at 1 July 2021</b>        | B     | <b>3,360,482</b>   | 4,535,971   |
| <b>Cash and cash equivalents at 30 June 2022</b>       | B     | <b>3,064,905</b>   | 3,360,482   |

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

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

|                                                                             | 2022<br>£          | 2021<br>£   |
|-----------------------------------------------------------------------------|--------------------|-------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>(3,397,532)</b> | 4,100,224   |
| <b>Adjustments for:</b>                                                     |                    |             |
| Depreciation charge                                                         | <b>314,537</b>     | 359,161     |
| Impairment of freehold property                                             | <b>615,729</b>     | —           |
| Losses (gains) on listed investments                                        | <b>2,116,252</b>   | (4,564,494) |
| Gains on investment properties                                              | <b>—</b>           | (250,000)   |
| Investment income                                                           | <b>(1,138,366)</b> | (1,148,282) |
| Interest receivable                                                         | <b>(13,269)</b>    | (10,819)    |
| Surplus on disposal of tangible fixed assets                                | <b>(120,108)</b>   | —           |
| Decrease (increase) in debtors                                              | <b>62,442</b>      | (63,010)    |
| Decrease in creditors                                                       | <b>(286,349)</b>   | (174)       |
| <b>Net cash used in operating activities</b>                                | <b>(1,846,664)</b> | (1,577,394) |

#### B Analysis of cash and cash equivalents

|                                                                  | 2022<br>£        | 2021<br>£ |
|------------------------------------------------------------------|------------------|-----------|
| Cash at bank and in hand: <b>Total cash and cash equivalents</b> | <b>3,064,905</b> | 3,360,482 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## **Principal accounting policies** Year to 30 June 2022

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 to 30 June 2022 with comparative information given in respect to the year 30 June 2021.

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), 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 and management to make significant judgements and estimates.

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

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

As set out in these accounting policies under “assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **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 acknowledge and recognise the impact of the aftermath of the Covid-19 pandemic and of the current macroeconomic and geopolitical climate more generally on the charity. However, they have concluded that whilst there may be some negative consequences such as volatility in the value of the listed investment portfolio and related income, the impact is unlikely to be significant. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards 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 listed investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**Income**

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

Income comprises donations, legacies, investment income, interest receivable, hostel income, other rents receivable from charitable activities, other income including the surplus on the disposal of tangible fixed assets, and the transfer of assets and liabilities from Society of the Sacred Heart Charitable Trust.

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 and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

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.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

**Income** (continued)

Dividends are 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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Coronavirus Job Retention Scheme funding is recognised within income from miscellaneous sources when the eligibility criteria are met and a claim has been made.

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**

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. All expenditure is stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- ◆ Donations payable  
Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.
- ◆ The support of members of the Society and their ministry  
Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.
- ◆ Provision of hostel accommodation  
Expenditure on Barat House which provides accommodation for students.

### **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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

### **Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

- ◆ **Freehold land and buildings**  
Freehold land and buildings are shown on the balance sheet at cost, deemed cost or, where donated, at their value at the date of donation.
  - ◇ **Residential**  
Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost or deemed 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 different from their book value.
  - ◇ **Purpose built residential care home**  
Other buildings comprising a residential care home for elderly Sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.
- ◆ **Leasehold property**  
Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.
- ◆ **Building improvements**  
Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.
- ◆ **Fixtures and fittings**  
Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four year period on a straight line basis.
- ◆ **Motor vehicles**  
Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Tangible fixed assets are impaired when the recoverable amount is determined to be less than the carrying amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

### **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.

Properties held for investment purposes are included in these accounts at their fair value which is deemed to be their open market value. The valuations have been determined as set out in note 14a to these accounts.

When a property previously held for investment purposes is transferred to tangible fixed assets, the carrying value of the property is treated as deemed cost and no adjustment is made to reverse any unrealised gains or losses.

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 are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value.

### **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. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

### **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 accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

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

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

### **Services provided by members of the Society**

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

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme. The expense is allocated to the support of members of the Society and their ministry.

### **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.

# 1 Income from: Donations and legacies

|                                                                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|-------------------------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid | 707,992                 | —                     | 707,992                     | 695,759                 | —                     | 695,759                     |
| Other donations                                                                           | —                       | —                     | —                           | 19,362                  | —                     | 19,362                      |
| Legacies                                                                                  | —                       | —                     | —                           | 7,370                   | —                     | 7,370                       |
|                                                                                           | <b>707,992</b>          | <b>—</b>              | <b>707,992</b>              | <b>722,491</b>          | <b>—</b>              | <b>722,491</b>              |

# 2 Income from: Investments and interest receivable

|                                                   | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|---------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Income from listed investments                    |                         |                       |                             |                         |                       |                             |
| UK Common investment funds                        | 1,121,116               | —                     | 1,121,116                   | 1,112,192               | —                     | 1,112,192                   |
| Rental income from investment property            | 27,450                  | —                     | 27,450                      | 36,090                  | —                     | 36,090                      |
| Bank interest and interest on short term deposits | 13,269                  | —                     | 13,269                      | 10,819                  | —                     | 10,819                      |
|                                                   | <b>1,161,835</b>        | <b>—</b>              | <b>1,161,835</b>            | <b>1,159,101</b>        | <b>—</b>              | <b>1,159,101</b>            |

# 3 Income from: Charitable activities

|                       | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|-----------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Hostel income         | 12,756                  | —                     | 12,756                      | 31,250                  | —                     | 31,250                      |
| Retreat centre income | 4,850                   | —                     | 4,850                       | —                       | —                     | —                           |
|                       | <b>17,606</b>           | <b>—</b>              | <b>17,606</b>               | <b>31,250</b>           | <b>—</b>              | <b>31,250</b>               |

# 4 Income from: Surplus on disposal of tangible fixed assets

|                                                 | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|-------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Surplus on the disposal of community properties | 144,466                 | —                     | 144,466                     | —                       | —                     | —                           |
| Surplus on the disposal of motor vehicles       | 969                     | —                     | 969                         | —                       | —                     | —                           |
| Loss on the disposal of property improvements   | (25,327)                | —                     | (25,327)                    | —                       | —                     | —                           |
|                                                 | <b>120,108</b>          | <b>—</b>              | <b>120,108</b>              | <b>—</b>                | <b>—</b>              | <b>—</b>                    |

## 5 Income from: Miscellaneous sources

|                                          | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Investment manager fee rebate (note 14)  | 89,911                  | —                     | 89,911                      | 68,784                  | —                     | 68,784                      |
| Coronavirus Job Retention Scheme funding | 15,766                  | —                     | 15,766                      | 40,305                  | —                     | 40,305                      |
| Other                                    | 16,567                  | 10,000                | 26,567                      | 16,464                  | —                     | 16,464                      |
|                                          | <b>122,244</b>          | <b>10,000</b>         | <b>132,244</b>              | <b>125,553</b>          | <b>—</b>              | <b>125,553</b>              |

The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £15,766 (2021: £40,305) relates to salary costs included within staff costs (note 11).

## 6 Expenditure on: Donations payable

The charity makes donations to both individuals and institutions in accordance with the donations policy set out in the report of the trustees. The donations payable during the year were as follows:

|                                                                    | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|--------------------------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Contributions to the Generalate of the Society of the Sacred Heart | 55,000                  | —                     | 55,000                      | 66,221                  | —                     | 66,221                      |
| Donations to institutions and individuals (see overleaf)           | 243,100                 | —                     | 243,100                     | 214,050                 | —                     | 214,050                     |
|                                                                    | <b>298,100</b>          | <b>—</b>              | <b>298,100</b>              | <b>280,271</b>          | <b>—</b>              | <b>280,271</b>              |

## 6 Expenditure on: Donations payable (continued)

Donations paid to institutions and individuals during the year comprised the following:

| Recipient                                                          | Total<br>2022<br>funds<br>£ | Total<br>2021<br>funds<br>£ |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| Baytree Centre                                                     | —                           | 2,000                       |
| Butterfly Tree Project                                             | 4,000                       | 14,000                      |
| CAFOD                                                              | 10,000                      | 15,000                      |
| Cardinal Hume Centre                                               | 7,500                       | 5,000                       |
| Care4Calais                                                        | 5,000                       | 6,000                       |
| Catholic Children's Society                                        | 2,500                       | 10,000                      |
| Chula Education                                                    | —                           | 2,000                       |
| Digby Stuart Association                                           | —                           | 3,000                       |
| Diocesan Justice & Peace Refugee Project                           | —                           | 3,000                       |
| DHN Cathedral Mercy Hub                                            | —                           | 3,000                       |
| Fenham Association of Residents (FAR) (including swimming project) | 30,500                      | 30,000                      |
| The Glass Door                                                     | 5,000                       | 5,000                       |
| HCPT                                                               | —                           | 1,000                       |
| The Hurtado Jesuit Centre Wapping                                  | —                           | 5,000                       |
| Katherine Low Settlement                                           | 10,300                      | 8,500                       |
| London Irish Centre Charity                                        | 2,500                       | 2,500                       |
| The Medaille Trust                                                 | 69,600                      | 10,000                      |
| Medecins Sans Frontieres                                           | —                           | 2,500                       |
| Minsteracres Retreat Centre                                        | 5,700                       | 6,000                       |
| Missio                                                             | —                           | 10,000                      |
| Newcastle S.V.P. Care Centre, Blackfriars, Newcastle               | —                           | 3,000                       |
| Newham Community Project                                           | 6,000                       | 4,000                       |
| Network of Sacred Heart Schools and College                        | 9,000                       | 9,000                       |
| Operation Noah                                                     | 2,500                       | 5,000                       |
| The Passage                                                        | 7,500                       | 5,000                       |
| Pax Christi                                                        | 5,000                       | 5,000                       |
| The Peoples' Kitchen                                               | 4,000                       | 3,000                       |
| Practical Action                                                   | 2,000                       | —                           |
| Refugee and Migrant Project (RAMP)                                 | —                           | 4,000                       |
| Schools Network                                                    | 2,000                       | —                           |
| The Shannon Trust                                                  | 2,500                       | 2,500                       |
| St Beuno's Spirituality Centre                                     | —                           | 1,000                       |
| St Greg's Pantry                                                   | 3,000                       | —                           |
| St Vincent de Paul Group                                           | 1,000                       | —                           |
| Traidcraft Exchange                                                | 10,000                      | 20,000                      |
| The Trussell Trust                                                 | 1,500                       | —                           |
| Ukrainian Fund                                                     | 10,000                      | —                           |
| West End Refugee Service (WERS)                                    | 2,500                       | 2,500                       |
| Windsor Hill Wood                                                  | —                           | 5,000                       |
| Young Ministry Team Diocese of Hexham & Newcastle                  | 6,500                       | 2,500                       |
|                                                                    | <b>227,600</b>              | <b>212,500</b>              |
| Donations of less than £1,000                                      | 5,500                       | 1,550                       |
| <b>Total donations paid to institutions</b>                        | <b>233,100</b>              | <b>214,050</b>              |
| Donations paid to individuals                                      | 10,000                      | —                           |
| <b>Total donations</b>                                             | <b>243,100</b>              | <b>214,050</b>              |

## 7 Expenditure on: Support of members of the Society and their ministry

|                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|-------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Premises                                  | 298,946                 | —                     | 298,946                     | 393,638                 | —                     | 393,638                     |
| Sisters' living and ministry expenses     | 1,402,537               | 10,000                | 1,412,537                   | 1,472,441               | 5,631                 | 1,478,072                   |
| Education, training and spiritual renewal | 24,755                  | —                     | 24,755                      | 17,830                  | —                     | 17,830                      |
| Schools Network and Archives              | —                       | —                     | —                           | 1,811                   | —                     | 1,811                       |
| Refurbishments and start-up costs         | 63,497                  | —                     | 63,497                      | 2,995                   | —                     | 2,995                       |
| Other support costs                       | 668,208                 | —                     | 668,208                     | 491,933                 | —                     | 491,933                     |
| Governance costs (note 9)                 | 39,015                  | —                     | 39,015                      | 36,715                  | —                     | 36,715                      |
|                                           | <b>2,496,959</b>        | <b>10,000</b>         | <b>2,506,959</b>            | <b>2,417,363</b>        | <b>5,631</b>          | <b>2,422,994</b>            |

## 8 Expenditure on: Hostel charges and provision of hostel accommodation

This relates to the provision of hostel accommodation, primarily for those in higher education.

## 9 Governance costs

|                        | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ |
|------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Auditor's remuneration | 39,015                  | —                     | 39,015                      | 35,385                  | —                     | 35,385                      |
| Other governance costs | —                       | —                     | —                           | 1,330                   | —                     | 1,330                       |
|                        | <b>39,015</b>           | <b>—</b>              | <b>39,015</b>               | <b>36,715</b>           | <b>—</b>              | <b>36,715</b>               |

## 10 Net expenditure before gains on investments

This is stated after charging:

|                              | Total<br>2022<br>£ | Total<br>2021<br>£ |
|------------------------------|--------------------|--------------------|
| Staff costs (note 11)        | 1,073,617          | 1,104,006          |
| Auditor's remuneration       |                    |                    |
| . Statutory audit services   | 29,000             | 27,625             |
| . Other accountancy services | 10,015             | 7,760              |
| Depreciation                 | 314,537            | 359,161            |

## 11 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees

|                                                      | 2022<br>£        | 2021<br>£        |
|------------------------------------------------------|------------------|------------------|
| Staff costs during the year were as follows:         |                  |                  |
| Wages and salaries                                   | 964,187          | 989,072          |
| Social security costs                                | 76,817           | 78,521           |
| Pension costs                                        | 32,613           | 36,413           |
|                                                      | <b>1,073,617</b> | <b>1,104,006</b> |
| Staff costs per function were as follows:            |                  |                  |
| Support of members of the Society and their ministry | <b>1,073,617</b> | <b>1,104,006</b> |

No employees earned £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2021 - none).

The average number of employees during the year, analysed by function, was as follows:

|                                                      | 2022      | 2021      |
|------------------------------------------------------|-----------|-----------|
| Support of members of the Society and their ministry | <b>48</b> | <b>49</b> |

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Executive Director, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £82,255 (2021: £119,347).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2021: none).

As members of the Society, none of the trustees have 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 £82,466 (2021 - £115,709).

## 12 Taxation

The Society of the Sacred Heart CIO 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.

**13 Tangible fixed assets**

|                                   | Total<br>land and<br>buildings<br>(see below)<br>£ | Building<br>improvements<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£        |
|-----------------------------------|----------------------------------------------------|-------------------------------|------------------------|-------------------------------|-------------------|
| <b>Cost</b>                       |                                                    |                               |                        |                               |                   |
| At 1 July 2021                    | 9,846,059                                          | 1,404,617                     | 247,255                | 254,948                       | <b>11,752,879</b> |
| Additions                         | —                                                  | 35,699                        | 24,450                 | 5,423                         | <b>65,572</b>     |
| Transfer from investment property | 1,450,000                                          | —                             | —                      | —                             | <b>1,450,000</b>  |
| Impairment                        | (615,729)                                          | —                             | —                      | —                             | <b>(615,729)</b>  |
| Disposals                         | (275,458)                                          | (79,980)                      | (17,995)               | —                             | <b>(373,433)</b>  |
| At 30 June 2022                   | <u>10,404,872</u>                                  | <u>1,360,336</u>              | <u>253,710</u>         | <u>260,371</u>                | <b>12,279,289</b> |
| <b>Depreciation</b>               |                                                    |                               |                        |                               |                   |
| At 1 July 2021                    | 3,081,015                                          | 644,180                       | 199,745                | 180,327                       | <b>4,105,267</b>  |
| Charge for the year               | 136,809                                            | 113,227                       | 21,035                 | 43,466                        | <b>314,537</b>    |
| On disposals                      | (44,842)                                           | (54,653)                      | (17,995)               | —                             | <b>(117,490)</b>  |
| At 30 June 2022                   | <u>3,172,982</u>                                   | <u>702,754</u>                | <u>202,785</u>         | <u>223,793</u>                | <b>4,302,314</b>  |
| <b>Net book values</b>            |                                                    |                               |                        |                               |                   |
| At 30 June 2022                   | <u>7,231,890</u>                                   | <u>657,582</u>                | <u>50,925</u>          | <u>36,578</u>                 | <b>7,976,975</b>  |
| At 30 June 2021                   | <u>6,765,044</u>                                   | <u>760,437</u>                | <u>47,510</u>          | <u>74,621</u>                 | <b>7,647,612</b>  |

**Land and buildings**

|                                   | Freehold land and buildings |                       |                                    | Total<br>land and<br>buildings<br>£ |
|-----------------------------------|-----------------------------|-----------------------|------------------------------------|-------------------------------------|
|                                   | Residential<br>£            | Purpose<br>built<br>£ | Long<br>leasehold<br>property<br>£ |                                     |
| <b>Cost</b>                       |                             |                       |                                    |                                     |
| At 1 July 2021                    | 4,352,558                   | 4,421,397             | 1,072,104                          | <b>9,846,059</b>                    |
| Transfer from investment property | 1,450,000                   | —                     | —                                  | <b>1,450,000</b>                    |
| Impairment                        | (615,729)                   | —                     | —                                  | <b>(615,729)</b>                    |
| Disposals                         | —                           | —                     | (275,458)                          | <b>(275,458)</b>                    |
| At 30 June 2022                   | <u>5,186,829</u>            | <u>4,421,397</u>      | <u>796,646</u>                     | <b>10,404,872</b>                   |
| <b>Depreciation</b>               |                             |                       |                                    |                                     |
| At 1 July 2021                    | —                           | 2,945,632             | 135,383                            | <b>3,081,015</b>                    |
| Charge for the year               | —                           | 126,586               | 10,223                             | <b>136,809</b>                      |
| On disposal                       | —                           | —                     | (44,842)                           | <b>(44,842)</b>                     |
| At 30 June 2022                   | <u>—</u>                    | <u>3,072,218</u>      | <u>100,764</u>                     | <b>3,172,982</b>                    |
| <b>Net book values</b>            |                             |                       |                                    |                                     |
| At 30 June 2022                   | <u>5,816,829</u>            | <u>1,349,179</u>      | <u>695,882</u>                     | <b>7,231,890</b>                    |
| At 30 June 2021                   | <u>4,352,558</u>            | <u>1,475,765</u>      | <u>936,721</u>                     | <b>6,765,044</b>                    |

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts. Certain of the charity's properties are subject to covenants which restrict their use and disposal.

### 13 Tangible fixed assets (continued)

A residential property with a carrying value of £1,450,000 has been reclassified from freehold investment property (note 14) to tangible fixed assets during the year as the property is now used directly by the charity in the furtherance of its objectives. Whilst classified as an investment property, it was held at open market value and the carrying value included an unrealised gain of £1,191,184. On transfer to tangible fixed assets, which are held at cost, the carrying value has been treated as deemed cost and no adjustment has been made to reverse the unrealised gain of £1,191,184.

An impairment of £615,729 in respect to the New House property has been made in the year to write it down to its recoverable amount of £nil. The property is currently empty and is due to be demolished.

#### **Post balance sheet events**

Two properties were sold after the balance sheet date. The property in Wingrove Road was sold on 30 November 2022 for £620,000 and the property in Birch Hill Road was sold on 9 December 2022 for £283,000.

#### **Capital commitments**

At 30 June 2022, no capital commitments existed (2021: £nil) although there plans are being drawn up to rebuild one of the charity's properties which is due to be demolished in late 2023. The estimated cost of this rebuild is circa £4 million.

### 14 Fixed asset investments

At 30 June 2022 investments comprised:

|                                                                                     | 2022<br>£         | 2021<br>£         |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
| Freehold investment property (see a. below)                                         | —                 | 1,450,000         |
| Listed investments, cash investments and cash held for re-investment (see b. below) | 36,453,245        | 38,800,835        |
| Programme related investments (see c. below)                                        | 1,895,845         | 1,894,621         |
|                                                                                     | <b>38,349,090</b> | <b>42,145,456</b> |

Movements on each category of investment are summarised below:

#### **a. Freehold investment property**

|                                   | 2022<br>£   | 2021<br>£ |
|-----------------------------------|-------------|-----------|
| Fair value at 1 July 2021         | 1,450,000   | 1,200,000 |
| Gain on revaluation               | —           | 250,000   |
| Transfer to tangible fixed assets | (1,450,000) | —         |
| Fair value at 30 June 2022        | —           | 1,450,000 |

The investment property was valued as at 30 June 2021 by the trustees, with professional assistance, on an open market value basis. It was reclassified as a tangible fixed asset during the year as it is now used directly by the charity in furtherance of its objectives (see note 13).

**14 Fixed asset investments (continued)*****b. Listed investments***

|                                             | 2021<br>£         | 2020<br>£         |
|---------------------------------------------|-------------------|-------------------|
| <b>Listed investments</b>                   |                   |                   |
| Market value at 1 July 2021                 | 38,800,835        | 34,236,343        |
| Disposals (proceeds £231,339, gains £5,912) | (219,251)         | —                 |
| Net unrealised investment (losses) gains    | (2,128,339)       | 4,564,492         |
| Market value at 30 June 2022                | <u>36,453,245</u> | <u>38,800,835</u> |
| Cost of listed investments at 30 June 2022  | <u>31,721,551</u> | <u>31,901,818</u> |

At 30 June 2021 listed investments comprised holdings in the following common investment fund:

|                                        | 2022                 |                                          | 2021                 |                                          |
|----------------------------------------|----------------------|------------------------------------------|----------------------|------------------------------------------|
|                                        | Market<br>value<br>£ | Percentage<br>of total<br>portfolio<br>% | Market<br>value<br>£ | Percentage<br>of total<br>portfolio<br>% |
| COIF Charities Ethical Investment Fund | <u>36,453,245</u>    | <u>100</u>                               | 38,800,835           | 100                                      |

All listed investments within the above fund were dealt in on a recognised stock exchange.

Investment manager fees are deducted automatically from the portfolio on a quarterly basis and are inherent in arriving at the market value of funds held. The fees deducted are based on a fixed percentage which exceeds that contractually payable by the charity. As such, the investment manager rebates fees to the charity every quarter. The rebates, which amount to £89,911 for the year to 30 June 2022 (2021: £68,784) are included in these accounts as miscellaneous income.

***c. Programme related investments***

|                                       | 2022<br>£        | 2021<br>£        |
|---------------------------------------|------------------|------------------|
| Carrying value at 1 July 2021         | 1,894,621        | 1,894,621        |
| Additions to Oikocredit equity shares | 1,224            | —                |
| Carrying value at 30 June 2022        | <u>1,895,845</u> | <u>1,894,621</u> |

Programme related investments comprise:

|                          | 2022<br>£        | 2021<br>£        |
|--------------------------|------------------|------------------|
| Freehold properties      | 1,650,000        | 1,650,000        |
| Oikocredit equity shares | 245,844          | 244,621          |
|                          | <u>1,895,844</u> | <u>1,894,621</u> |

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

#### 14 Fixed asset investments (continued)

##### *c. Programme related investments (continued)*

The charity owns a property which is leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity has funds of £245,844 (2021: £244,621) held in equity shares of Oikocredit, Ecumenical Development Cooperative Society U.A (Oikocredit). Oikocredit is an ethical investment opportunity which finances development projects benefiting disadvantaged and marginalised people.

#### 15 Debtors

|                   | 2022<br>£        | 2021<br>£        |
|-------------------|------------------|------------------|
| Investment income | 1,169,524        | 1,028,383        |
| Other debtors     | 1,044            | 30,246           |
| Prepayments       | —                | 33,240           |
|                   | <b>1,170,568</b> | <b>1,091,869</b> |

#### 16 Creditors: amounts falling due within one year

|                                   | 2022<br>£      | 2021<br>£      |
|-----------------------------------|----------------|----------------|
| Accruals                          | 50,039         | 47,356         |
| Donations payable                 | 357,100        | 663,000        |
| Trade creditors                   | 4,340          | —              |
| HMRC                              | 5,013          | —              |
| Pensions                          | 194            | —              |
| Salary deductions control account | 7,321          | —              |
|                                   | <b>424,007</b> | <b>710,356</b> |

#### 17 Restricted funds

|                                  | At<br>1 July<br>2021<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2022<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 5,000                     | 10,000      | (10,000)         | 5,000                      |

#### 18 Tangible fixed assets fund

|                       | 2022<br>£        | 2021<br>£        |
|-----------------------|------------------|------------------|
| At 1 July 2021        | 7,647,612        | 7,453,850        |
| Net movements in year | 329,363          | 193,762          |
| At 30 June 2022       | <b>7,976,975</b> | <b>7,647,612</b> |

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

**19 Programme related investments**

|                      | 2022<br>£ | 2021<br>£ |
|----------------------|-----------|-----------|
| At 1 July 2021       | 1,894,621 | 1,894,621 |
| Net movement in year | 1,224     | —         |
| At 30 June 2022      | 1,895,845 | 1,894,621 |

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 14, these investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees of the charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**20 Designated funds**

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

|                            | At<br>1 July<br>2021<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2022<br>£ |
|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund            | 14,500,000                | 500,000                  | —                          | 15,000,000                 |
| Future strategy fund       | 20,000,000                | (5,000,000)              | —                          | 15,000,000                 |
| Society restructuring fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund    | 60,008                    | —                        | (1,289)                    | 58,719                     |
| Ministry support fund      | 500,000                   | 212,600                  | (212,600)                  | 500,000                    |
| Building maintenance fund  | —                         | 5,000,000                | —                          | 5,000,000                  |
| Malta fund                 | 1,668,857                 | —                        | (89,719)                   | 1,579,138                  |
|                            | 39,228,865                | 712,600                  | (303,608)                  | 39,637,857                 |

♦ *Retirement fund*

This consists of monies which the trustees have set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Future strategy fund*

This new fund consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

♦ *Society restructuring fund*

This fund (previously named the International Development Fund) consists of monies which the trustees have set aside to support the work needed as a result of the canonical restructuring of the Society of the Sacred Heart and its international work.

## 20 Designated funds (continued)

- ♦ *Barat House Hostel fund*  
This fund represents the net assets of Barat House. The assets have been designated for use by the House only.
- ♦ *Ministry support fund*  
This consists of monies which the trustees have set aside for the support of charitable work.
- ♦ *Building maintenance fund*  
This fund represents monies designated by the trustees to support the development of the healthcare hub and also maintain the charity's existing properties.
- ♦ *Malta fund*  
This represents monies which the trustees have designated for the care of the elderly religious in Malta.

## 21 Analysis of net assets between funds

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2022 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 7,976,975                                | —                       | —                                                | —                        | 7,976,975          |
| Investments                                              | 315,388              | —                                        | 36,137,857              | 1,895,845                                        | —                        | 38,349,090         |
| Current assets                                           | 730,473              | —                                        | 3,500,000               | —                                                | 5,000                    | 4,235,473          |
| Creditors falling due within one year                    | (424,007)            | —                                        | —                       | —                                                | —                        | (424,007)          |
| <b>Total net assets</b>                                  | <b>621,854</b>       | <b>7,976,975</b>                         | <b>39,637,857</b>       | <b>1,895,845</b>                                 | <b>5,000</b>             | <b>50,137,531</b>  |

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

|                                                                   | 2022<br>£        | 2021<br>£        |
|-------------------------------------------------------------------|------------------|------------------|
| <b>Total unrealised gains included above:</b>                     |                  |                  |
| On listed investments                                             | 4,731,694        | 6,899,017        |
| On investment property                                            | 1,191,184        | 1,191,184        |
|                                                                   | <b>5,922,878</b> | <b>8,090,201</b> |
| <b>Reconciliation of movements in unrealised gains</b>            |                  |                  |
| Unrealised gains at 1 July 2021                                   | 8,090,201        | 3,275,707        |
| Less in respect of disposals in the year                          | (38,984)         | —                |
| (Less) add: net (losses) gains arising on revaluation in the year | (2,128,339)      | 4,814,494        |
| <b>Total unrealised gains at 30 June 2022</b>                     | <b>5,922,878</b> | <b>8,090,201</b> |

**22 Connected charity and related party transactions**

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2022, Digby Stuart College Trust owed the charity £1,044 (2021: £30,246).

Details of donations made to the charity by the trustees during the year are provided in note 11.

There were no other related party transactions during the year requiring disclosure (2021: none).

**23 Liability of the member**

The Provincial Superior of the Society, by virtue of holding that office, is ex-officio the sole member of the Charitable Incorporated Organisation (CIO) for as long as she holds that office. If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. It is the duty of the member of the CIO to exercise her powers as a member of the CIO in the way she decides in good faith would be the most likely to further the purposes of the CIO. The member shall before exercising her powers carry out such consultations and obtain such consents, if any, as may be required by the Society's Constitutions.

**SOCIETY OF THE SACRED HEART CIO**

England & Wales - Charity number 1179288

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# Accounts

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**Society of  
the Sacred Heart  
CIO**

**Annual Report and Accounts**

30 June 2021

Charity Registration Number 1179288



## Contents

### Reports

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### Accounts

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

|                                    |                                                                                                                                                                                                                  |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Sister Christine Austin<br>Sister Christine Edwards<br>Sister Catherine Lloyd<br>Sister Sheila McNamara<br>Sister Lorraine Pratt<br>Sister Stephanie Romaine<br>Sister Margaret Walshe<br>Sister Margaret Wilson |
| <b>Provincial Superior</b>         | Sister Catherine Lloyd                                                                                                                                                                                           |
| <b>Administrative Address</b>      | 3 Bute Gardens<br>Hammersmith<br>London<br>W6 7DR                                                                                                                                                                |
| Telephone                          | 020 8741 4688                                                                                                                                                                                                    |
| Facsimile                          | 020 8834 7380                                                                                                                                                                                                    |
| <b>Charity Registration Number</b> | 1179288                                                                                                                                                                                                          |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL                                                                                                                                                           |
| <b>Bankers</b>                     | HSBC Bank plc<br>53-55 Uxbridge Road<br>London<br>W5 5SA                                                                                                                                                         |
| <b>Solicitors</b>                  | Pothecary Witham Weld<br>70 St George's Square<br>London<br>SW1V 3RD<br><br>Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>Barbican<br>London<br>EC1M 6HR                                         |

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

|                            |                                                                                                       |
|----------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Investment managers</b> | CCLA Investment Management Limited<br>Senator House<br>85 Queen Victoria Street<br>London<br>EC4V 4ET |
|----------------------------|-------------------------------------------------------------------------------------------------------|

The trustees present their annual report together with the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year to 30 June 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 38 to 44 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

The Society of the Sacred Heart CIO is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a Constitution dated 23 July 2018.

The CIO was set up to continue the work of the Society of the Sacred Heart Charitable Trust (the predecessor charity), an unincorporated charity (Charity Registration Number 227848). With effect from 1 July 2019, the assets, liabilities and activities of the unincorporated charity were transferred to the CIO. The unincorporated charity remains a separate entity and in due course will be removed from the Register.

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution. The Society is present on all continents and in 41 countries, and is divided into Provinces by country or region. The central government of the Society - the General Council and the Treasurer General – is based in Rome.

The Society established its first community in England in December 1842: it is now present in several locations around England and retains a retreat centre in Wales. In the Province of England and Wales (ENW) we mostly live in small communities. Central to our lives is a rhythm of prayer and reflection in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as we can and to meet the needs of our world – locally, nationally and globally - supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish and God's love be made known to all.

The international Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members ('RSCJ' or 'Sisters') in the ensuing eight year period. The most recent Chapter was held in July-August 2016, and since then, the members of the England-Wales Province have met among themselves, and in a joint meeting with RSCJ from Ireland-Scotland, to begin to discern how these priorities will influence our lives and mission in the coming years. The four priorities of the 2016 Chapter are:

- ◆ To reach new frontiers – *geographical and existential*
- ◆ To live more humanly – *in the radical style of Jesus of Nazareth*
- ◆ To create silence – *to deepen our interior life*
- ◆ To be and to act as one Body – *to revitalise our unity in diversity*

### **Introduction** (continued)

In addition, there were seven recommendations:

- ◆ Sharing resources
- ◆ Service of Education
- ◆ Vocation Ministry
- ◆ International Volunteer Service
- ◆ Justice Peace and the Integrity of Creation
- ◆ Languages in the Society
- ◆ Ways of organising ourselves

### **Objectives**

The objectives of the charity cover a range of charitable activities, which include:

- ◆ the support of the members of the Society and their charitable works;
- ◆ the advancement of education;
- ◆ the advancement of the Roman Catholic religion; and
- ◆ the relief of poverty.

### **Activities and performance**

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to the supplementary guidance on the advancement of religion.

In preparing this report we have given particular attention to the ways in which we have sought to respond to the objective of the support of the members of the Society and their charitable works and to the relief of poverty.

This report will begin with an overview of our work in meeting all the objectives. However, much of our work is interwoven, and our core belief in God and our membership of the Roman Catholic Church underpins every aspect of our lives and mission, as does the Society's educational focus, our commitment to being at the service of the materially and spiritually poor and the marginalised, and the effort to meet the needs of our own members in this Province and in the wider international Society.

It is important to note that the duration of time covered by this report was spent almost entirely in a state of lockdown due to the Covid-19 pandemic. All regular activities were either suspended or moved on-line. Day to day business was conducted by Zoom, Microsoft Teams and other on-line platforms.

## Review of activities

### ♦ Support of the members and their charitable works

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of the members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the Province – to accompany and support newer members through each stage, i.e. candidacy, noviciate and temporary vows, and through each discernment and transition.

### ***Vocations ministry***

The Vocations Ministry Team completed their on-line programme for those wishing to learn tools for discernment and decision making. This face-to-face programme had moved on-line during the initial lock down period. In March 2021, an evaluation process involving both the participants and the team concluded that the programme was well-received and useful. There was a genuine desire amongst participants to explore some of the emerging topics in greater depth. The Vocations Ministry Team are now reflecting on how to take this initiative further.

In addition, members of the Vocations Ministry Team worked with their counterparts on the International Vocations Ministry Team to develop materials to disseminate across the congregation.

### ***Initial formation***

There were no candidates or novices in the Province this year. The members of the formation team continued to meet online on a regular basis with their counterparts in the European Initial Formation Teams (EIFT) to plan online activities for candidates, novices and those in first vows known as PTVs, (Professed in Temporary Vows). The EIFT also met with the European Provincials to work on adapted plans for a European Novitiate in wake of Covid-19.

Members of the Province engaged with this ministry to newer members and developed their own skills and gifts in this area by following on-line programmes offered through formation programmes based in the United States.

Newer members in formation are enabled to attend courses, and meetings with their peers in other congregations and in the Society in Europe, thus helping them to deepen their understanding of religious life and the spirituality and mission of the Society, and to grow in the relationship with God which will sustain them in living our aims and priorities.

## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### ***Initial formation (continued)***

Until October 2020, we had one PTV living in the Province. Our Director of PTV formation, Stephanie Romaine, also accompanied the PTV of the Irish/Scottish Province. Meetings for people at this stage of formation, which were originally planned to take place in different parts of Europe, moved on-line.

The European Forum is a group of European PTVs and PYs. PYs, (Professed Young), are sisters between one and ten years of final commitment. They meet to get to know each other better and to better understand the reality of the provinces of Europe. This group's activities moved to an on-line platform and Cath Lloyd RSCJ from the Province of ENW, facilitated the work of the preparation group and the whole group meeting in November 2020, which completed the work on the document this group was sending to the Special Chapter in 2021.

#### ***On-going personal development of the members***

Each RSCJ is responsible for her on-going development at every level and the Province tries to support and offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological and emotional levels.

This has been more difficult throughout lockdown as opportunities could only be found on-line. With that in mind, the Province sought to support members in the use of Zoom so that they could participate in meetings and other on-line activities. Throughout the year, many sisters engaged with on-line programmes, webinars, lectures, discussion groups and prayer groups. Others participated in training and on-going professional development. As Sheila writes: *"Zoom has also provided opportunities for attending meetings, courses and webinars which I wouldn't have been able to attend physically otherwise, and this has been a grace. I have been in groups with people all over the world. At an Ignatian prayer group on a Wednesday evening, I was in a group of five with someone from Ecuador, California, Brazil and Germany!"*

Sheila and Margret continued to send a daily photograph and reflection by email and from Lent 2021 the communities in the Northeast who meet regularly for prayer on Friday evenings, extended an invitation to the whole Province to join them for prayer and reflection. This has sustained many people throughout a difficult year and has offered a regular point of contact with members of the Province. There continued to be opportunities to celebrate prayer on-line with our sisters in Ireland/Scotland (IRS) and Malta.

As Barbara writes: *"Although the pandemic has led to some frustration, it has also provided opportunities, one of which has been meeting members of the Province on Zoom whom in "real life" I hardly ever see, living so far away. It has also provided more space and solitude that I have appreciated."*

Face to face visits to individuals and communities were not possible throughout the year and so the Provincial and her Team engaged in on-line conversations with each sister. These conversations were generally appreciated, and the outcomes of the conversations enabled the Team to identify individual needs and desires and through these to make important decisions regarding moves and changes of ministry.

## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### ***On-going personal development of the members (continued)***

Our Province health advisor, Mrs Susan Houston, worked alongside many sisters in the wider province community to ensure provision of adequate health care and support and to help others identify when their changing health needs required a move to more appropriate accommodation or into Duchesne House, our care home.

As our reliance on technology became more evident during this time the Province recognised the need to further develop our Province communications strategy. The review clarified some of the IT needs of the membership and the administration. One fruit of the review was to appoint a group of sisters and staff who began working closely with a company to rebuild the Province website which launched in December 2021.

#### ***Support for those in leadership***

During the year, members with specific responsibilities, such as the Provincial and members of the Initial Formation Team, have attended meetings on-line with their European counterparts. These meetings which usually aim to address matters of common concern or interest, became real opportunities for personal and group support for provincials struggling with the challenges thrown up by the pandemic. In February 2021, the European Provincials met by Zoom to share their responses to the Special Chapter 2021. The Provincial Teams of the Provinces of England/Wales and Ireland/Scotland met on several occasions by Zoom, to reflect on issues of mutual concern and to share preparation for the Special Chapter.

In September 2020, in the Province of England/Wales, 25 sisters participated in the online provincial assembly. This group finalised the Province's response to the invitations of the Special Chapter preparation material and elected our delegate to Chapter. The Provincial Team continued the practice of meeting regularly with a facilitator to assist with strategic planning. Throughout the year the Province engaged in consultations and discernments in relation to housing and mission priorities.

By June 2021, these consultations had led to the decision to close and merge several communities in the Northeast and open a new project in Newcastle-upon-Tyne.

In March 2021, at the Province Day, members were invited to think about our priorities and values in relation to the future planning of the use of our resources. As a result of the work of this day, the members identified four areas of priority. Our educative mission, ecological justice, our concern for issues of social justice and spirituality. We are engaging in further planning to take forward consultation and work in these areas.

## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### **Governance**

In spring 2021, several senior, key members of staff signalled their intention to retire. This coincided with a process of reflection and consultation around the administrative needs of the Province. In consultation with Finance Advisory Committee and the Trustees, the Provincial Team, made the decision to reorganise the present administrative structure, merging many of the functions of the provincial and finance offices and creating some new posts to help us better meet the challenges of the present and the future. These new posts include that of an Executive Director, a broader role rather than that of the current Finance and General Manager, an operations manager and an executive administrator. The posts of Executive Director, Operations manager and Executive Assistant have now been filled.

#### **Safeguarding**

Throughout the early part of 2021, along with other religious orders in the Church, the Society sought to support the Roman Catholic Church's "One Church" approach to safeguarding children and vulnerable adults. The Provincial and Trustees engaged in the consultation process for the new Religious Life Safeguarding Service (RLSS) We made the decision to appoint a new safeguarding officer from outside the congregation and offered to share this part-time post with other religious orders. That appointment has now been made and we are working in partnership with one other religious order. The member of the Trustees responsible for safeguarding presented the new Church structure to the Trustees in June 2021.

#### **Duchesne House**

We offer care to our sick and frail sisters in Duchesne House, a 16-bed care home run by an experienced manager. Duchesne House exists to provide care for members of the Society, none of whom have resources of their own and all of whom have dedicated their lives to the educative mission of the Society of the Sacred Heart. Julie Murrin and her staff ensure that members of the congregation receive the appropriate level of care they require and enable sisters to live life as fully as possible until the end of their lives.



## Review of activities (continued)

### ♦ Support of the members and their charitable works (continued)

#### ***Duchesne House (continued)***

At the beginning of the year 2020-2021, the community numbered 10 sisters. One sister died in the course of the year, five sisters joined the community and several others had short spells there to recuperate from treatment and surgery. Due to careful management and infection control, residents remained largely free of Covid-19. As the year progressed, it became easier to access regular supplies of PPE, testing became more readily available and by December 2020, everyone in the community and most staff were doubly-vaccinated. Since January 2021, the Province health advisor and human resources adviser have worked with the care home manager to support all of our care home staff in receiving double vaccines.

The pandemic and lockdown restrictions have seriously impacted the life of the residents in Duchesne House. As one community member describes:

*“Last year was different from the previous ones due to the COVID-19 pandemic. Our Community of elderly sisters seemed to peacefully accept being housebound, having no visitors and watching daily TV Mass from Toronto. Later on we were grateful to have Friday and Sunday Masses in our chapel said by the parish priest of St Joseph’s in Roehampton village. The Sacrament of the Sick was celebrated during Mass on 25 June. Throughout the year we enjoyed birthdays and feast day celebrations and we continued using Zoom and Skype to join online meetings and prayers with the Provincial Team, other RSCJs, family and friends.*

*To have such an attractive garden was a real blessing during lockdowns. Due to the COVID-19 pandemic no gatherings were possible and had to take place “online”. In October 2020 we had our three-day online retreat; on 14 November we enjoyed our Province Day on Zoom; on 3 December we watched the Roehampton University Carol Service. On 17 December a group of students from Ibstock School sang Christmas Carols in our garden. We had to self-isolate in our rooms just before Christmas because some of us got Covid. On 7 January 2021 a group of us went to Putney for our first dose of Covid vaccine which was followed by the second dose on 25 March. Marion Charley who joined the Community in May 2019 sadly died on 21 March 2021. May she rest in peace.”*

### ♦ The relief of poverty

The Society’s commitment to the poor and the marginalised and to justice, peace and the integrity of creation, permeates our lives and choices as individuals, local communities and as a province community. Much of our commitment to this aim is fulfilled through individual or local community involvement with a specific charity or project. Some examples of these are outline below.

For many years, Chris has supported Traidcraft, which campaigns for ethical standards and fair-trading practices. During the year, her work in this area has reduced as everything has moved on-line.

Throughout the various lockdowns, Cath signed up as a National Health Volunteer in her local area of Hammersmith. *“When I was able to be on call, I collected and delivered medicines and prescriptions, shopped for those unable to leave home and made telephone calls to the elderly and those living alone. This experience has given me a broader sense of my own neighbourhood and the fragility and vulnerability faced by so many of those who live around me.”*

## Review of activities (continued)

### ♦ The relief of poverty (continued)

Most individuals and communities in the Province made a commitment this year to support their local foodbanks with regular donations of food and financial support.



The Province also administers the Ministry Support Fund (MSF), which every year gives grants of varying amounts to projects and organisations nominated by RSCJ who are in some way associated with them. These are often local projects and this year included Glass Door Homeless Charity which works in West London. Our gift was used to enable homeless men and women to access night shelters and hot meals and case workers to spend more time working with clients to help find routes out of homelessness to a more stable future which includes finding employment.

Through this fund we also supported two projects in our local parish in Hammersmith, one concerning food for the elderly and the second, young people. The money we gave to the Cardinal Hume Centre was used to support the homeless hostel, to create a safe space for mothers facing domestic violence and to support staff working with migrant and immigration issues.

In addition to the Ministry Support Fund and in response to the Covid-19 crisis, the Province has made “one off” emergency donations to sectors that are experiencing great need. These have included charities working with struggling families, the homeless, migrants and refugees.

Many sisters are deeply committed to work with refugees and migrants and as face-to-face contact became impossible, they moved their work on-line. Among them is Lorna: *“I discovered Zoom as a way of mentoring a child from a refugee background, for being a teaching assistant in an ESOL class for refugees and for meetings of the Roehampton University Council and its Committees.”*

Silvana is a staff member with Caritas, the social action agency of the Diocese of Westminster. *“Since March 2020, Caritas has been busier than ever it was, but luckily we have been in a strong enough position to be able to respond to growing needs, while also looking ahead to how we can help build resilience in our parish and school communities”.*

The Boleyn Road community based in an area of urban deprivation in the East End of London, continued to work hard at building up a sense of neighbourhood in a multi-cultural, multi-faith setting.

### Review of activities (continued)

#### ♦ The relief of poverty (continued)

In recent years, they have also focused on helping refugees. Up until the pandemic they had hosted a refugee through the Jesuit Refugee Service, but this discontinued during lockdown. By summer 2021, as restrictions began to lift, they began a reflection which is on-going about the possibility of opening their house again to refugees.

#### ***Work with Victims of Human Trafficking and Slavery***

The Society continues to provide a large house, formerly a Convent in Greater London, to victims of human trafficking. The house is leased on a peppercorn rent to an anti-trafficking charity which has its roots in the Catholic Church.

The house is now a home for over 25 women and children. The Society continues to support the victims by making financial donations and by maintaining direct contact with the staff of the charity. Sisters and staff provide donations of clothes and household items to continue to support the women.

Jane Maltby sits on the Board of the Charity and has recently taken on the role of vice Chair. This allows the Society to contribute to the wider work and future development of the Charity, supporting victims of trafficking and human slavery in over 11 safe houses in the UK.

The Society facilitated a direct link with the Catholic Children's Society and through this introduction the children and their mothers receive gifts at Christmas.



**Review of activities (continued)**

♦ **The relief of poverty (continued)**

***Work with Victims of Human Trafficking and Slavery (continued)***



The Provincial Team was once again conscious of the impact of the pandemic on struggling families and offered financial support to our four state funded schools. This money was to help support learning for the many students forced to home school.

Barbara Brown, the Headteacher of the Sacred Heart Primary School in Fenham, shared:

*"The funds were greatly appreciated. We were able to support large numbers of families with uniforms and tokens for food purchases at local supermarkets. We have plans for the provision of early reading materials and story sacks for families." The Sacred Heart High School used their grant "to make up contributions to purchase IT equipment and wi-fi dongles for access to on-line learning and vouchers for items needed to access a preferred sport."*

The Province Justice and Peace Group regularly disseminated communications from our International Justice and Peace Co-ordinating Committee and our UN Office. In 2020-2021, they drew particular attention to issues which relate to our commitment to the environment and climate change.

Several sisters formed a reading and reflection group which regularly meets by Zoom to discuss the book "Theology and Ecology in Dialogue" by Dermot Lane SJ. Members of this group are active in promoting thinking in the Province around these issues and their implications for our lives.

## Review of activities (continued)

### ♦ The relief of poverty (continued)

#### ***Work with Victims of Human Trafficking and Slavery (continued)***

The Society in England and Wales divested from fossil fuel investments in a process that was more or less completed by December 2019. In November 2020, we were invited by an alliance of the World Council of Churches, the Global Catholic Climate Movement, Operation Noah, (a group we have supported through the MSF), Green Anglicans and Green Faith and other faith groups to join a global divestment announcement intended to coincide with the fifth anniversary of the Paris Agreement. It was also intended to highlight the urgent need to divest from fossil fuels before world leaders met for the G20 summit that month and before the Economy of Francesco event where Pope Francis addressed young economists and entrepreneurs.

In a short statement accompanying the announcement we wrote:

*“The Society in England and Wales has actively engaged in reducing its carbon footprint for a number of years as the impact of the climate crisis became more apparent and urgent. After reflecting on our own values and the charism which underpins them, we have directed our fund managers to divest our investment portfolio of fossil fuels. Hopefully, we are making a contribution towards working for a future which is more sustainable and carbon neutral.”*

### ♦ The advancement of the Roman Catholic religion

Since its foundation in 1800 the “end and mission” of the Society of the Sacred Heart has been to make known the love of God, and all members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying Gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

Some of our members carry out their ministries in specifically Roman Catholic contexts, but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charity. Members contribute to the achievement of this objective through their work in:

- ♦ ***Spirituality ministry*** – spiritual and retreat direction, formation in faith and prayer, retreat centre.
- ♦ ***Chaplaincy ministry***
- ♦ ***Parish ministry***
- ♦ ***Ecumenical and inter-faith dialogue and collaboration and the facilitation of faith groups.*** This is often an underlying aspect of our work in spirituality in general, and includes activities in multi-cultural, multi-faith settings such as Forest Gate in East London.

#### ***Spirituality ministry***

Several members of the Province engage in ministry as spiritual and retreat directors. This often takes place in an ecumenical context and in retreat centres run by others.

In January 2021 some sisters joined a team co-ordinating an on-line retreat in daily life organised by the University of Durham chaplaincy and a local parish. Others worked with individuals or on teams in other on-line outreach projects in spirituality.

## Review of activities (continued)

### ♦ The advancement of the Roman Catholic religion (continued)

#### ***Spirituality ministry (continued)***

Our own small centre, Llannerchwen, in Brecon, Wales, offers opportunities for people from all walks of life to enjoy silence and solitude, with spiritual accompaniment if desired. During the pandemic, the centre had to close down and remains closed. In February 2021, the lay team working in the centre left our employment and so we re-established an RSCJ community there. The situation is under constant review.



Most sisters engaged with spiritual ministry moved their work on to on-line platforms such as Zoom. In Durham, Steph participated in bereavement support ministry and Sheila continued to teach on the ongoing professional development course for spiritual accompaniers offered by St Anthony's Priory in Durham. Her on-line work also extended to retreat giving and supervision.

Elsewhere in the Province, a sister worked with sisters and lay colleagues in other parts of the international congregation to develop an on-line retreat for young people which was rolled out across various regions of the world where the Society is present in June 2021.

#### ***Chaplaincy ministry at Digby Stuart College, Roehampton University***

The Society funds the post of the Digby Stuart Chaplaincy Community worker. This post is important in helping to build up the Barat House Intentional Community which is an ongoing commitment with Southlands College. In this year the community was impacted by lockdown restrictions but managed to maintain a community of about five students throughout the academic year. By the end of the summer term 2021, the uncertainty around the September 2021 intake meant that there would be no resident community in Barat house for the first term of the new academic year. The Society committed to funding the post of the Digby Stuart Chaplaincy Community worker again and Julia Tomas was appointed to succeed Joanna Grennan. One important task for this post holder with her colleague funded by the Southlands Methodist Trust, will be building up and developing a new community in Barat House.

More information on the work of the Chaplaincy activities and the impact of Covid-19 can be found in the Digby Stuart College Trust Annual Report and Accounts.

#### ***Parish ministry***

All sisters are parishoners in their local Catholic churches and contribute to the life of these faith communities in many different ways. Obviously, during the months of lockdown this participation in parish life has reduced considerably as churches have been closed. Some of our sisters have participated in creative ways to reach out to parishoners. One community in Thornley prepared reflection sheets on the scripture readings and feasts which were sent out with the parish newsletter and these provided important points of connection for those who were alone and housebound.

## Review of activities (continued)

### ♦ The advancement of education

The Society of the Sacred Heart was founded in Paris in 1800 in the aftermath of the French Revolution, with the aim of aiding the rebuilding of a fractured society through the Christian education of girls. In this Province we expanded from providing schools for girls to running co-educational primary schools, secondary schools and teacher training colleges, one of which is now incorporated into the University of Roehampton. Over the past fifty or so years, however, as our understanding of education broadened, many of our sisters moved out of working in schools, with several re-training and working in related fields, and newer members discerning different ministries according to their background and skills.

Whatever we do, there is a strong educational dimension to the lives of all of the members which permeates all our ministries, service and relationships. This implies a willingness to be open to accept, listen to and learn from others and a generosity of spirit which leads each one to give freely from her experience and wisdom, desiring the growth and development of the other. For many, this daily effort to live in genuine relationships of mutual interaction is lived out in a variety of contexts and in collaboration with many other people so that together all may grow.

We no longer have sisters teaching in formal education but some work in informal settings. Lorraine continues to teach dance and train other dancers. Marianne trains health workers. Margaret supports the work of the network of schools. Cath facilitates the work of other congregations and assists groups with strategic planning. Much of this work moved on to on-line platforms while Covid-19 restrictions were in place.

### ***The Sacred Heart Schools and College Network***

During 2020-2021 as everyone adapted to the changing restrictions as the pandemic continued, the network too continued to adapt its ways of supporting the mission in our educational institutions. Contact was maintained throughout the year in a variety of ways, but one especially valued by our colleagues was a weekly prayer every Tuesday, sometimes accompanied by an item of news/information. Many said this gave them a lift in the midst of all the pressures.

Online activities dominated for training, meetings and developments. Our work around the Goals of Sacred Heart Education continued and a variety of online sessions on topics such as Citizens UK to Laudato Si informed developments.

Our network was able to contribute to and benefit from three online training sessions for Senior Leaders in schools organised by the group, Religious Orders in Education, of which we are a member. These sessions focused on the exploration of charism and how it can be embedded in the structures and daily life of schools and Colleges. Up to 90 delegates attended these sessions.

A major feature of the year was the development of formation materials, an initiative led by the Network Goals Coordinator. We adopted a new platform, Padlet, receiving training from a colleague at Roehampton University. The Network team produced and reviewed documents which will be able to form the basis of in-service training for our schools from September 2021. The package can be added to over time. Consultation exercises took place in the summer term, when face to face meetings were able to resume, albeit sometimes al fresco!

## Review of activities (continued)

### ♦ The advancement of education (continued)

#### ***The Sacred Heart Schools and College Network (continued)***

The Society's concern for families struggling during the pandemic continued and was realised in the grants awarded through the Ministry Support Fund to the 4 state funded schools. How this was used is referred to in the section on the relief of poverty.

Communications continued with our European Network. During the year the English Network led several initiatives. Two were in connection with Feast days which helped our students across Europe and one across the world to reach out to each other in the midst of isolation. In October schools across the Sacred Heart world exchanged prayers of hope and in May schools in Europe exchanged videos celebrating how they lived the values of the foundress. These emphasised in tangible ways how we work to build community, one of the Goals of Sacred Heart Education.

The other initiatives we led with our European colleagues were in partnership with the Society's International Justice, Peace and Integrity of Creation Team (JPIC). In March 2021 we held an online conference which was attended by c 70 European School and College Leaders where they heard about the work of the JPIC team, its priorities and the mission of the Society's NGO office and the United Nations. This was followed up by an online conference where students from five of our networks presented projects linked to JPIC themes to an audience.



Several of our schools continued to fundraise for RSCJ projects in the Philippines. Hearing about the reality of the pandemic there, made worse by natural disasters, inspired the schools to send £6,000 this summer. The RSCJ community there were very touched. Sister Digna wrote in May 2021, *"Your mail with the news of the lovely gesture of your schools raising funds for our ministries and the people we serve came as a welcome grace. Thank you so much for your fidelity to our One Body, and for inspiring your students to act, even on their own, during the lockdown..."*

#### ***University of Roehampton***

Until June 2021, two sisters served on the Council of Roehampton University. Lorna Brockett as a member of the Equality, Diversity and Inclusion sub-committee and Chris Edwards on the Finance and Estates sub-committee. Lorna retired from Council in June 2021 and in conjunction with the University, the Society is actively seeking a lay colleague as a replacement representative. Chris and Lorraine Pratt have both represented the Society as members of the Digby Stuart Liaison Group and participated in the appointment of Professor Francis Davis as Head of Digby Stuart College to replace Dr Gulliver Ralston.

## Review of activities (continued)

### ♦ The advancement of education (continued)

#### ***University of Roehampton (continued)***

Cath Lloyd RSCJ in her role as provincial, attends meetings of the Foundation Liaison Group which is made up of representatives of the providing bodies of the constituent colleges of the University and participated in the search for a new University Chancellor.

Chris and Lorraine have also met regularly with the Head of Digby Stuart College, the Chaplain and other members of the team to support the development of the mission in Barat House and to explore ethos within the college. Barat House is a residence on the campus of Digby Stuart College part of the University of Roehampton, occupied by a small community of students.

#### ***The Sanctuary scholarship***

From September 2020, the Society has provided the funding for a sanctuary scholarship. This is awarded annually to a student whose access to undergraduate study at the University of Roehampton is impacted by their immigration status. The Society is involved in the process of selecting the recipients. This year, Naser, studying sports science, wrote in appreciation for the opportunity it has given him even though his studies have been impacted by Covid.

*“The moment I received the confirmation email about my scholarship I felt really happy and excited for the first time in years. Because of my situation and the challenges I’m going through in my life, the scholarship has given me hope, courage and a meaning to my life. It added something great that I can’t explain.”* Thank you Naser.



Grants from our missionary support fund have also helped build up and support educational initiatives at home and abroad. In March 2021, we contributed funds to the Pax Christi Peace Education Fund, the Shannon Trust which supports and mentors learning and literacy in prisons and the Butterfly Tree project, where our grant was used to support HIV education and build shelters for mothers and children in Zambia.

## Future Plans

- ♦ We will work with the other provinces of the Society to implement the decisions of the Extraordinary General Chapter in November 2021. This Chapter focussed specifically on the sharing of resources and the re-structuring of the Society and therefore the Province, too, into the future.
- ♦ We will prepare various meetings including a post-Chapter Provincial Assembly to provide feedback from the Extraordinary General Chapter to members of the Province.

#### **Future Plans (continued)**

- ◆ We will continue the work of reviewing the Province's strategic plan for the use of our assets and resources for the sake of mission, and make adjustments as needed. We will endeavour to move on our planning for the long-term use of our assets and our thinking around our legacy.
- ◆ In light of an ageing demographic in the Province and following the delay in the development of a property on the Duchesne campus for intermediate care, we will give careful consideration to our property requirements in the near and long term future and the financial implications of this.
- ◆ We will complete the work of restructuring our administration and seek to appoint people to key posts and ensure succession planning.
- ◆ We will induct the newly-appointed members of staff in the areas of safeguarding and administration. In January and February 2022, we will provide in-service training for all new members of staff.
- ◆ With our members, and the Finance Advisory Committee and Trustees, we will study the question of what structures we now need for the oversight, management and distribution of our financial and material resources in the Province and for the provision of governance.
- ◆ In consultation with the General Council and the members of the Province, the provincial team will recommend the process of consultation for the next provincial mandate.
- ◆ We will create a working party to prepare to mark the 180<sup>th</sup> anniversary of the arrival of the Society in England.

#### **Relevant policies**

##### ◆ **Investment policy**

The charity has an investment property which is occupied by tenants at a market rent determined by the trustees with professional advice. At 30 June 2021, the market value of the investment property was £1,450,000.

The charity has a portfolio of listed investments which had a value of £38,800,835 at 30 June 2021.

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

The listed investments are managed by CCLA Investment Management Limited, which operates within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees takes into account income requirements, the risk profile and, in respect to listed investments, the investment manager's views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five year period. The investment policy requires the investment manager to take account of the ethical, social and environmental concerns of the trustees as expressed in the policy.

**Relevant policies (continued)**

♦ **Investment policy (continued)**

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2020-2021 has been met.

The performance of the charity's listed investments has improved with the portfolio giving a capital return of 15.54%. The income yield for the year was 3.05%.

The charity has funds invested with Oikocredit, Ecumenical Development Co-Operative Society U.A. This is an ethical investment which is not held specifically to make a financial return but is held in support of development projects which benefit disadvantaged and marginalised individuals. As a result, these funds are deemed programme related investments and are included on the balance sheet at cost. The cost of the funds held at 30 June 2021 was £244,621.

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent, and another property that is leased to the Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. These represent properties which are not held specifically to make a financial return and directly further the charitable purposes of the charity. As a result, these properties are considered to be programme related investments and have been included on the balance sheet at deemed cost, less any provision for diminution in value, of £1,050,000 and £600,000 respectively.

The trustees are satisfied that the charity's investment objectives are being met.

♦ **Donations and grant making policy**

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

During the year £214,050 was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

♦ **Fundraising policy**

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received by the charity it would be handled by a senior member of staff or trustee.

### **Financial review**

The Province now has 42 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity, any earnings have been covenanted to the charity. However, as the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. With 90% of the Province at retirement age, the investment income will continue to be relied upon by the CIO to supplement the decline in salary and pension income. Sufficient funds need to be built up by the CIO to ensure that investment income will guarantee the continuance of ministries, development of the Novitiate, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment “to radiate the very love of the Heart of Christ through love and service” (Constitutions Para 7).

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year’s results can be found on page 35 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £2,038,395 (2020: £51,630,836, of which £49,014,462 related to the transfer in from the Society of the Sacred Heart Charitable Trust).

Expenditure totalled £2,752,665 for the year, of which £280,271 related to donations made to other charities plus the annual contribution to the Generalate.

Net expenditure for the year amounted to £714,270 before net investment gains of £4,814,494 which gave rise to a net increase in funds of £4,100,224.

### **Reserves policy**

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity’s work and the on-going commitment to support members of the Society, the level of free reserves should be approximately equal to one year’s expenditure on unrestricted funds.

## **Financial review (continued)**

### ***Reserves policy (continued)***

The trustees are of the opinion that this provides sufficient flexibility:

- ◆ to cover temporary shortfalls in income due to timing differences in income flows;
- ◆ to ensure adequate working capital for core costs; and
- ◆ to allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

### ***Financial position***

The balance sheet shows total funds of £53,535,063 and of this £7,647,612 represents the tangible fixed assets used by the Sisters. The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day to day work of the charity. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Similarly, those investments classified as programme related investments are represented by a separate designated fund - the programme related investments fund. These investments comprise land and buildings, which are owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

An amount of £14,500,000 had been designated by the trustees to provide for the Sisters in their retirement. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of who will need increasing support and increasingly expensive residential and nursing care. There is also a designated fund of £1,668,857, designated to care for the elderly religious in Malta.

A future strategy fund of £20,000,000 has been established and consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations. The building maintenance fund (previously £5,000,000) set aside to support an action plan for the charity's properties, several of which are in need of substantial maintenance work, has been subsumed into this future strategy fund. Similarly, the social justice fund (previously £7,000,000) which was to be used to provide funds in support of social justice activities has also been subsumed into the future strategy fund.

## Financial review (continued)

### *Financial position (continued)*

The ministry support fund will be used to support charitable work and at 30 June 2021 amounted to £500,000, whilst the international development fund of £2,500,000 will be used to support the international work of the Society. The Barat House Hostel fund of £60,008 represents the net assets of Barat House and has been designated for use by the House only.

Funds which are available to support the work of the Sisters in the future are shown on the balance sheet as general funds and amount to £4,758,965.

The trustees are aware that this level of reserves is in excess of the amount required by the above policy. However, they are aware also of the charity's dependence on its investment portfolio for income. Given the continuing volatility in world stock markets, the trustees believe that it is prudent to hold the high level of free reserves at the present time.

### *The charity's assets*

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

## Governance, structure and management

### ♦ Trustees

On 1 July 2019, Sister Catherine Lloyd began her first three year mandate as Provincial Superior, supported by her Provincial Council – Sister Christine Edwards, Sister Sheila McNamara and Sister Margaret Wilson.

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. The trustees are selected from the members of the Province of England and Wales based on the skills and knowledge they can bring to the trustee role. All have previous experience of being a trustee and have received information and training on the role and responsibilities of trustees. At any one time there must be a minimum of six trustees but not more than twelve trustees.

Members of the Provincial Council, who are nominated by the members of the Province of England and Wales with nominations being ratified by Rome, are three of the trustees.

Brief biographic details of the trustees in office at the date on which this report was approved are as follows:



**Sister Christine Austin** is a retired teacher who worked in Secondary Education in the Society's boarding schools at Woldingham and in Kalungu, Uganda. She also taught at St Julian's in Malta. For the last 25 years she has done voluntary work promoting Fair Trade, particularly with Traidcraft and has been involved in raising awareness of Third World issues. Sister Christine is a member of the Finance Advisory Committee.

## Governance, structure and management (continued)

### ◆ Trustees (continued)



**Sister Christine Edwards** has held a variety of teaching posts in the course of her professional career and has also engaged in youth work. Her last post was as chaplain at a diocesan girl's school in London. She was Chair of Governors to the Sacred Heart Comprehensive School in Newcastle-upon-Tyne for three years. She was a member of the Provincial Team for several years until summer 2009 and was appointed the Canonical Treasurer for the Province in July 2010. She retired from this position in March 2014. She is a member of Council of the University of Roehampton, the Society's safeguarding representative and a member of the Provincial Council from 1 July 2019.



**Sister Catherine Lloyd** has a background in formal education and ministry with young people working at different times and places as a teacher, Head of Department and Head of Middle School. After training in spiritual accompaniment and counselling, she worked as a School Chaplain at the Sacred Heart High School in Hammersmith. Cath spent some years in the Society's mission in Indonesia where she worked in teacher education, theological formation and in a project with street children.

On returning to the UK, she served as Novice Mistress and worked in the Formation department of the Conference of Religious of England and Wales, where with others she developed inter-congregational provision in the areas of the initial formation of newer members to religious life.

After further studies, Cath worked with a team of consultants to other organisations and groups in the areas of strategic planning, leadership formation and change agency.

This was followed by eight years of international service on the General Council of the society in Rome, after which Cath returned to her ministry of consultation and facilitation, spirituality and formation in the UK and abroad.



**Sister Sheila McNamara** has worked for many years in Primary Education as a classroom teacher, Deputy Headteacher and Acting Headteacher in schools on Tyneside and North London. Following further study in Dublin in 2000, she continued her journey in education as Diocesan Primary Schools Adviser first in the Archdiocese of Westminster for six years and then in the Diocese of Hexham and Newcastle for seven years. For the last seven years her ministry has been in spirituality, accompanying others in their spiritual journey, leading days of reflection and retreats. Her passion for nurturing the spirituality of the educator inspires her to lead sessions on a local and national level

with school staff and leaders. She has served on a number of Provincial Committees as well as serving two years as Chair of Sacred Heart High School, Hammersmith. She is also a member of the Provincial Council.

## Governance, structure and management (continued)

### ♦ Trustees (continued)



**Sister Lorraine Pratt** has spent almost all of her life working in education: as Head of Department in the Sacred Heart Comprehensive School in Newcastle; as a Diocesan Youth Officer; as a school chaplain; and then as Chair of Governors at the Sacred Heart School in Hammersmith, school chaplain and living with the student community both in Oxford and London. At present, she is a member of the Province initial formation team and works with adults teaching dance meditation as a medium for both enjoyment and spiritual growth.



**Sister Stephanie Romaine** has taught in both Tunbridge Wells and Woldingham boarding schools from 1971-86 and been part of the handover to lay management in both schools. From 1987-90 she helped set up and then worked as the administrator in a Neighbourhood Mediation Scheme in Leeds where she was also involved in training mediators. At the same time she began training as a counsellor and then as a counselling supervisor and after several years practice, completed her training with a psychotherapy qualification. As a supervisor she worked with counsellors in a drug and alcohol project, and also with trainee counsellors in two independent charities as well as offering counselling to several employee assistance programmes within her own private practice. From 2001-07 she was a member of the Provincial Council. In 2006 she moved to Brecon and with one other Sister helped run the Society's retreat centre, Llannerchwen, for 10 years. During that time she trained as a spiritual director. In 2015 she was involved in the process of preparation and management of the transfer of Llannerchwen to lay management. Since leaving Brecon in 2016 she has continued to offer spiritual direction to deacons, ordinands, and other lay people in Durham. She has had two terms of involvement in the training of the Society's young Religious and continues with that to date. This training has become increasingly collaborative with our Sisters in Europe.



**Sister Margaret Walshe** is a retired teacher who has taught in schools for the Society in Tunbridge Wells, Woldingham, Fenham and Malta and been a lecturer in Professional Education at Roehampton University. She has served on the Executive Committee of the Provincial Bursars Association and was Provincial Bursar from 1996 to 2007. Between 1989 and 1995 she was a member of the Provincial Council. She has been on the governing bodies of Digby Stuart College, the schools in Fenham and Woldingham and been a member of Roehampton University Council. In retirement she is a volunteer with the Pensioners Group at the local Irish Centre, and is a Governor at a primary school in Richmond-on-Thames.

## Governance, structure and management (continued)

### ◆ Trustees (continued)



**Sister Margaret Wilson** entered the Society after completing her Teacher Training in Newcastle upon Tyne. She taught in Sacred Heart schools in Tunbridge Wells and Woldingham before moving to Hammersmith Sacred Heart High School in 1977 to become Head of the Religious Education department. During this time she completed a Masters in Religious Education at Boston College.

In 1990, Margaret was appointed Director of Novices for the Society and remained in that post until 2002. After a sabbatical year in Donegal, she worked in Armagh for three years as a Community Development worker in a deprived area of the city. Returning to England, Margaret worked in Leeds for one year before taking on the service of Provincial for six years. She now lives in Newcastle and is part of the 'Capacitar' training programme in England. In July 2019 she joined the Provincial Council.

### ◆ Trustees' responsibilities statement

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).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year 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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

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

### ◆ **Management**

The trustees have the final responsibility for the policies, activities and assets of the charity. They meet annually to review developments with regard to the charity and to make significant decisions. The day-to-day management of the charity's activities and the implementation of policies are delegated to:

- ◆ the trustees who, with the Provincial Superior, form the Provincial Council; and
- ◆ the Finance Advisory Committee; and
- ◆ the appropriate senior staff.

### ◆ **Key management personnel**

The trustees consider that they, together with the Finance and General Manager and the Care Manager of Duchesne House comprised the key management of the charity during the year in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Society and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of the Finance and General Manager and the Care Manager of Duchesne House is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives.

### ◆ **Connected charity**

Details of the connected charity are given in note 23 to the attached accounts.

### ◆ **Risk management**

The management of risk is an on-going process and the trustees undertake regular reviews of the principal risks and uncertainties that the charity faces. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

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

### ◆ **Risk management (continued)**

Risk is regularly discussed at trustees' meetings, the Investment Committee and Finance Advisory Committee. The following risks have been identified as on-going:

#### ◇ The effects and general impact of the Covid-19 outbreak

Since March 2020, the Covid-19 pandemic has caused worldwide disruption. Whilst the ramifications of this pandemic are many and varied, and largely beyond the control of the charity, it has impacted on the life and work of the Society in England-Wales in the time span covered in this report in a number of ways:

- ◆ The Special Chapter due to be held in Spain in February 2021, was postponed twice. This international meeting of the congregation which will focussing on the re-structuring of the Society and the redistribution of resources took place in November 2021 on Zoom.
- ◆ Most Province processes of governance and administration moved to on-line platforms in order to function.
- ◆ Our care home in England was placed into lockdown from early March 2020, with only key workers allowed in and out. Restrictions remain in place appropriate to the level of response required.
- ◆ The ministries of the charity have been impacted, with face-to-face contacts restricted and 'stay at home' instructions common place.
- ◆ The spirituality centre at Llannerchwen which locked down in March 2020 remains closed. The staff team were furloughed and in February 2021, they left our employment. Restoration and repair work on a flood-damaged building on the property slowed due to the Welsh government's Covid guidelines.
- ◆ At the beginning of the pandemic, many of our lay staff were encouraged to work at home where possible. Where they had not been able to do so, a small number were furloughed, initially under the government scheme. By May 2021, nearly all staff were back in their offices after relevant Covid protocols in the work place had been implemented.
- ◆ The planned re-development of New House as a community with the capacity to offer intermediate care, was severely delayed by the impact of the pandemic on construction and a combination of a lack of building materials and a shortage of workmen.
- ◆ The pandemic has led to an upsurge in direct applications for help from organizations and charities in financial distress due to a fall in income from donations.

## Governance, structure and management (continued)

### ◆ Risk management (continued)

#### *Financial Impact*

The Investment Committee has met regularly with our investment managers and concerns regarding the impact of the pandemic on the fund were discussed and continue to be discussed. Following investments in an ethical fund, the Society has been able to realise a positive return on investments that reflect their work and ethos. However, after seeing a significant impact on the value of the fund early in the year, the fund has now recovered and has gained within the year. For the forthcoming year the charity has a target income from the fund to be met by dividends and cash return. The charity anticipates that this target will be achieved even though it recognises that market volatility could be significant in 2021/2022.

The pandemic will continue to present challenges for the foreseeable future, however the trustees are confident that the charity has the resources to meet its future financial obligations and commitments.

#### ◇ Safeguarding

Members of the Society work with children and adults, including older people, and the trustees recognise the importance and necessity of ensuring the protection and safety of all those that the charity will serve. This means that Sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

Staff employed at Duchesne are also required to obtain clearance from the Disclosure and Barring Service and also undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The Province is currently aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative. Along with other religious orders the Society is committed to the "one church" approach to safeguarding which will involve participating in new safeguarding structure being adopted for religious orders in the Catholic Church, the Religious Life Safeguarding Service. The Society is also collaborating with another congregation in the employment of a new safeguarding representative from outside the congregation.

#### ◇ Loss of key staff

The people who work for the charity will be a key resource and the charity will do all it can to ensure that its employment practices reflect current best practice and fulfils its duty of care to employees. The charity is reliant on a small number of key staff including, the Care Manager at Duchesne House, HR Advisor and Healthcare Advisor. The latter role was developed to support Sisters who wish to continue to live independently in communities outside Duchesne House for as long as possible, by providing them with confidential healthcare advice and support. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives. Wherever possible, the charity will aim to enable staff to develop their skills and knowledge so as to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity.

## Governance, structure and management (continued)

### ◇ Risk management (continued)

#### ◇ On-going needs

The refurbishment of Duchense House is now complete other than landscaping the grounds. Following this a consultation took place within the Province, which has revealed the need for accommodation for those who require some measure of support but are not ready to join the care home community. A community house within the grounds of the care home has been identified and a working group has been established to refurbish the property to meet the needs of its future residents.

#### ◇ Age profile of the members and over-commitment of a few in administration

An analysis of the age profile of the members of the Society shows that the average age at 30 June 2021 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the older Sisters. None of the Sisters have 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. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care in the years ahead by setting aside assets in a designated fund, the value of which is based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

The age profile of the members is also relevant in terms of identifying those who are both willing and able to serve as trustees of the charity in the future. This matter has been given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisory group that might be consulted by the trustees.

#### ◇ Maintenance and upgrading of properties

All properties will continue to be reviewed for their current use and needs and a rolling maintenance plan is in place in order to ensure the properties are upgraded and maintained. This is an ongoing review and process.

#### ◇ Health and safety

Health and safety is an area taken very seriously. Policies will be reviewed and developed on a regular basis.

#### ◇ Housing and long-term care needs

The Provincial is working with the healthcare Advisor, who is a Registered Nurse, and other key experienced staff, to look at options for providing for the long-term health and well-being of all sisters in the Province. The Society is engaging in the wider debate on this topic by involvement with the Conference of Religious and other Congregations directly as it is recognised that this issue is one shared by many Religious Orders. Work is ongoing in looking at the suitability of the properties owned by the Society and how adaptations and flexibility can ensure these properties can continue to be occupied by Sisters.

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

♦ **Risk management** (continued)

In summary, the trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas, investments and finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, by having in place appropriate insurances and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Approved by and signed on the behalf of the trustees:

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 23 February 2022

## **Independent auditor's report to the trustees of the Society of the Sacred Heart CIO**

### **Opinion**

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, principal accounting policies and the 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 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 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' annual 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.

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

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Performed substantive testing on expenditure; and
- ◆ Tested journal entries to identify unusual transactions.

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

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management 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 144 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

21 March 2022

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 30 June 2021

|                                                                                                 | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|-------------------------------------------------------------------------------------------------|-------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <b>Income from:</b>                                                                             |       |                         |                       |                       |                         |                       |                       |
| Donations and legacies                                                                          | 1     | 722,491                 | —                     | 722,491               | 756,249                 | —                     | 756,249               |
| Investments and interest receivable                                                             | 2     | 1,159,101               | —                     | 1,159,101             | 1,143,625               | —                     | 1,143,625             |
| Charitable activities                                                                           | 3     | 31,250                  | —                     | 31,250                | 95,450                  | —                     | 95,450                |
| Other sources:                                                                                  |       |                         |                       |                       |                         |                       |                       |
| . Surplus on disposal of tangible fixed assets                                                  | 4     | —                       | —                     | —                     | 32,858                  | —                     | 32,858                |
| . Miscellaneous sources                                                                         | 5     | 125,553                 | —                     | 125,553               | 588,192                 | —                     | 588,192               |
|                                                                                                 |       | <b>2,038,395</b>        | <b>—</b>              | <b>2,038,395</b>      | <b>2,616,374</b>        | <b>—</b>              | <b>2,616,374</b>      |
| Transfer from Society of the Sacred Heart Charitable Trust (Charity Registration Number 227848) | 22    | —                       | —                     | —                     | 49,003,831              | 10,631                | 49,014,462            |
| <b>Total income</b>                                                                             |       | <b>2,038,395</b>        | <b>—</b>              | <b>2,038,395</b>      | <b>51,620,205</b>       | <b>10,631</b>         | <b>51,630,836</b>     |
| <b>Expenditure on:</b>                                                                          |       |                         |                       |                       |                         |                       |                       |
| Charitable activities                                                                           |       |                         |                       |                       |                         |                       |                       |
| . Donations payable                                                                             | 6     | 280,271                 | —                     | 280,271               | 721,700                 | —                     | 721,700               |
| . Support of members of the Society and their ministry                                          | 7     | 2,417,363               | 5,631                 | 2,422,994             | 2,622,302               | —                     | 2,622,302             |
| . Provision of hostel accommodation                                                             | 8     | 12,102                  | —                     | 12,102                | 5,078                   | —                     | 5,078                 |
| . Provision of retreat accommodation                                                            |       | 37,298                  | —                     | 37,298                | 35,753                  | —                     | 35,753                |
| <b>Total expenditure</b>                                                                        |       | <b>2,747,034</b>        | <b>5,631</b>          | <b>2,752,665</b>      | <b>3,384,833</b>        | <b>—</b>              | <b>3,384,833</b>      |
| <b>Net (expenditure) income before net gains on investments</b>                                 | 10    | <b>(708,639)</b>        | <b>(5,631)</b>        | <b>(714,270)</b>      | <b>48,235,372</b>       | <b>10,631</b>         | <b>48,246,003</b>     |
| Net gains on investments                                                                        | 14    | 4,814,494               | —                     | 4,814,494             | 1,188,836               | —                     | 1,188,836             |
| <b>Net income (expenditure) and net movement in funds</b>                                       |       | <b>4,105,855</b>        | <b>(5,631)</b>        | <b>4,100,224</b>      | <b>49,424,208</b>       | <b>10,631</b>         | <b>49,434,839</b>     |
| <b>Reconciliation of funds:</b>                                                                 |       |                         |                       |                       |                         |                       |                       |
| Balances brought forward at 1 July 2020                                                         |       | 49,424,208              | 10,631                | 49,434,839            | —                       | —                     | —                     |
| Balances carried forward at 30 June 2021                                                        |       | <b>53,530,063</b>       | <b>5,000</b>          | <b>53,535,063</b>     | <b>49,424,208</b>       | <b>10,631</b>         | <b>49,434,839</b>     |

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

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

## Balance sheet 30 June 2021

|                                                       | Notes | 2021<br>£        | 2021<br>£         | 2020<br>£        | 2020<br>£         |
|-------------------------------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                  |                   |                  |                   |
| Tangible assets                                       | 13    |                  | 7,647,612         |                  | 7,453,850         |
| Investments                                           | 14    |                  | 42,145,456        |                  | 38,280,138        |
|                                                       |       |                  | <b>49,793,068</b> |                  | <b>45,733,988</b> |
| <b>Current assets</b>                                 |       |                  |                   |                  |                   |
| Debtors                                               | 15    | 1,091,869        |                   | 848,706          |                   |
| Cash at bank and in hand                              |       | 3,360,482        |                   | 3,586,796        |                   |
|                                                       |       | <b>4,452,351</b> |                   | <b>4,435,502</b> |                   |
| <b>Creditors:</b> amounts falling due within one year | 16    | (710,356)        |                   | (734,651)        |                   |
| <b>Net current assets</b>                             |       |                  | <b>3,741,995</b>  |                  | <b>3,700,851</b>  |
| <b>Total net assets</b>                               |       |                  | <b>53,535,063</b> |                  | <b>49,434,839</b> |
| <b>The funds of the charity:</b>                      |       |                  |                   |                  |                   |
| Restricted income funds                               | 17    |                  | 5,000             |                  | 10,631            |
| Unrestricted income funds                             |       |                  |                   |                  |                   |
| . General fund                                        |       |                  | 4,758,965         |                  | 7,007,211         |
| . Tangible fixed assets fund                          | 18    |                  | 7,647,612         |                  | 7,453,850         |
| . Programme related investments fund                  | 19    |                  | 1,894,621         |                  | 1,894,621         |
| . Designated funds                                    | 20    |                  | 39,228,865        |                  | 33,068,526        |
|                                                       |       |                  | <b>53,535,063</b> |                  | <b>49,434,839</b> |

Approved by the trustees and signed  
on their behalf by:

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 23 February 2022

## Statement of cash flows Year to 30 June 2021

|                                                                                                                                     | Notes | 2021<br>£          | 2020<br>£   |
|-------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------|-------------|
| <b>Cash flows from operating activities:</b>                                                                                        |       |                    |             |
| Net cash used in operating activities                                                                                               | A     | <b>(1,577,394)</b> | (1,369,908) |
| <b>Cash flows from investing activities:</b>                                                                                        |       |                    |             |
| Investment income received                                                                                                          |       | <b>968,131</b>     | 551,045     |
| Interest received                                                                                                                   |       | <b>10,819</b>      | 20,557      |
| Proceeds from the disposal of tangible fixed assets                                                                                 |       | —                  | 172,500     |
| Purchase of tangible fixed assets                                                                                                   |       | <b>(577,045)</b>   | (179,765)   |
| <b>Net cash provided by investing activities</b>                                                                                    |       | <b>401,905</b>     | 564,337     |
| <b>Change in cash and cash equivalents in the year</b>                                                                              |       | <b>(1,175,488)</b> | (805,571)   |
| <b>Cash and cash equivalents transferred from Society of the Sacred Heart Charitable Trust (Charity Registration Number 227848)</b> |       | —                  | 5,341,541   |
| <b>Cash and cash equivalents at 1 July 2020</b>                                                                                     | B     | <b>4,535,970</b>   | —           |
| <b>Cash and cash equivalents at 30 June 2021</b>                                                                                    | B     | <b>3,360,482</b>   | 4,535,970   |

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

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

|                                                                             | 2021<br>£          | 2020<br>£    |
|-----------------------------------------------------------------------------|--------------------|--------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>4,070,692</b>   | 49,434,839   |
| <b>Adjustments for:</b>                                                     |                    |              |
| Depreciation charge                                                         | <b>359,161</b>     | 447,179      |
| Gains on listed investments                                                 | <b>(4,564,494)</b> | (1,188,836)  |
| Gains on investment properties                                              | <b>(250,000)</b>   | —            |
| Transfer from Society of the Sacred Heart Charitable Trust                  | —                  | (49,014,462) |
| Investment income                                                           | <b>(1,148,282)</b> | (1,123,068)  |
| Interest receivable                                                         | <b>(10,819)</b>    | (20,557)     |
| Surplus on disposal of tangible fixed assets                                | —                  | (32,858)     |
| (Increase) decrease in debtors                                              | <b>(63,010)</b>    | 237,047      |
| Increase (decrease) in creditors                                            | <b>(174)</b>       | (109,192)    |
| <b>Net cash used in operating activities</b>                                | <b>(1,577,394)</b> | (1,369,908)  |

#### B Analysis of cash and cash equivalents

|                                                    | 2021<br>£        | 2020<br>£ |
|----------------------------------------------------|------------------|-----------|
| Cash at bank and in hand                           | <b>3,360,482</b> | 3,586,796 |
| Cash held by investment managers for re-investment | —                | 949,174   |
| <b>Total cash and cash equivalents</b>             | <b>3,360,482</b> | 4,535,970 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## **Principal accounting policies** Year to 30 June 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 to 30 June 2021 with comparative information given in respect to the year 30 June 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), 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 and management to make significant judgements and estimates.

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

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating the fair value of investment properties;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

As set out in these accounting policies under “assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

## **Principal accounting policies** Year to 30 June 2021

### **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.

The trustees acknowledge and recognise the continuing impact of the Covid-19 pandemic on the charity. However, they have concluded that whilst there may be some negative consequences such as volatility in the value of the listed investment portfolio and related income, the impact is unlikely to be significant. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards 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 listed investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

### **Income**

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

Income comprises donations, legacies, investment income, interest receivable, hostel income, other rents receivable from charitable activities, other income including the surplus on the disposal of tangible fixed assets, and the transfer of assets and liabilities from Society of the Sacred Heart Charitable Trust.

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 and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

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.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

## **Principal accounting policies** Year to 30 June 2021

### **Income (continued)**

Where legacies have been notified to the charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are 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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Amounts transferred from Society of the Sacred Heart Charitable Trust (Charity Registration Number 227848) (the charitable trust) have been recognised as income with effect from 1 July 2019, the date specified in the legal transfer of undertakings as being that on which the legal title to the net assets and activities of the charitable trust were transferred to the charity.

Coronavirus Job Retention Scheme funding is recognised within income from miscellaneous sources when the eligibility criteria are met and a claim has been made.

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**

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. All expenditure is stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

**Expenditure** (continued)

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- ◆ Donations payable  
Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.
- ◆ The support of members of the Society and their ministry  
Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.
- ◆ Provision of hostel accommodation  
Expenditure on Barat House which provides accommodation for five students.

**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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

**Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings  
Freehold land and buildings are shown on the balance sheet at cost or, where donated, at their value at the date of donation.
  - ◇ Residential  
Buildings designed as, and used wholly or mainly for, private residential accommodation, 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 different from their book value.
  - ◇ Purpose built residential care home  
Other buildings comprising a residential care home for elderly Sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.

## **Principal accounting policies** Year to 30 June 2021

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

- ◆ Leasehold property  
Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.
- ◆ Building improvements  
Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.
- ◆ Fixtures and fittings  
Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four year period on a straight line basis.
- ◆ Motor vehicles  
Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

### **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.

Properties held for investment purposes are included in these accounts at open market value. The valuations have been determined as set out in note 14a to these accounts.

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 are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value.

## **Principal accounting policies** Year to 30 June 2021

### **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. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

### **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 accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

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

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

### **Services provided by members of the Society**

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

## **Principal accounting policies** Year to 30 June 2021

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to unrestricted funds in the statement of financial activities in the year in which they are payable to the scheme. The expense is allocated to the support of members of the Society and their ministry.

### **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.

# 1 Income from: Donations and legacies

|                                                                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2020<br>funds<br>£ |
|-------------------------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid | 695,759                 | —                     | 695,759                     | 699,511                 | —                     | 699,511                     |
| Other donations                                                                           | 19,362                  | —                     | 19,362                      | 2,247                   | —                     | 2,248                       |
| Legacies                                                                                  | 7,370                   | —                     | 7,370                       | 54,491                  | —                     | 54,491                      |
|                                                                                           | <b>722,491</b>          | <b>—</b>              | <b>722,491</b>              | <b>756,249</b>          | <b>—</b>              | <b>756,249</b>              |

# 2 Income from: Investments and interest receivable

|                                                   | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2020<br>funds<br>£ |
|---------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Income from listed investments                    |                         |                       |                             |                         |                       |                             |
| . UK Common investment funds                      | 1,112,192               | —                     | 1,112,192                   | 1,083,568               | —                     | 1,083,568                   |
| Rental income from investment property            | 36,090                  | —                     | 36,090                      | 39,500                  | —                     | 39,500                      |
| Bank interest and interest on short term deposits | 10,819                  | —                     | 10,819                      | 20,557                  | —                     | 20,557                      |
|                                                   | <b>1,159,101</b>        | <b>—</b>              | <b>1,159,101</b>            | <b>1,143,625</b>        | <b>—</b>              | <b>1,143,625</b>            |

# 3 Income from: Charitable activities

|                                                  | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2021<br>funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2020<br>funds<br>£ |
|--------------------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|-----------------------|-----------------------------|
| Hostel income                                    | 31,250                  | —                     | 31,250                      | 36,619                  | —                     | 36,619                      |
| Retreat centre income                            | —                       | —                     | —                           | 32,862                  | —                     | 32,862                      |
| Other rent receivable from charitable activities | —                       | —                     | —                           | 25,969                  | —                     | 25,969                      |
|                                                  | <b>31,250</b>           | <b>—</b>              | <b>31,250</b>               | <b>95,450</b>           | <b>—</b>              | <b>95,450</b>               |

**4 Income from: Surplus on disposal of tangible fixed assets**

|                                                 | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|-------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Surplus on the disposal of community properties | —                       | —                     | —                     | 26,711                  | —                     | 26,711                |
| Surplus on the disposal of motor vehicles       | —                       | —                     | —                     | 6,147                   | —                     | 6,147                 |
|                                                 | <u>—</u>                | <u>—</u>              | <u>—</u>              | <u>32,858</u>           | <u>—</u>              | <u>32,858</u>         |

**5 Income from: Miscellaneous sources**

|                                                              | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|--------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Compensation receivable in respect to 'Right to Light' claim | —                       | —                     | —                     | 497,250                 | —                     | 497,250               |
| Investment manager fee rebate (note 14)                      | 68,784                  | —                     | 68,784                | 50,913                  | —                     | 50,913                |
| Coronavirus Job Retention Scheme funding                     | 40,305                  | —                     | 40,305                | 31,985                  | —                     | 31,985                |
| Other                                                        | 16,464                  | —                     | 16,464                | 8,044                   | —                     | 8,044                 |
|                                                              | <u>125,553</u>          | <u>—</u>              | <u>125,553</u>        | <u>588,192</u>          | <u>—</u>              | <u>588,192</u>        |

During the year to 30 June 2020, the charity was awarded compensation for the loss of light affecting a property to which it has freehold title following the construction of an adjacent building by a third party.

The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £40,305 (2020: £31,985) relates to salary costs included within staff costs (note 11).

**6 Expenditure on: Donations payable**

The charity makes donations to both individuals and institutions in accordance with the donations policy set out in the report of the trustees. The donations payable during the year were as follows:

|                                                                    | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|--------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Contributions to the Generalate of the Society of the Sacred Heart | 66,221                  | —                     | 66,221                | 59,671                  | —                     | 59,671                |
| Donations to institutions and individuals (see overleaf)           | 214,050                 | —                     | 214,050               | 662,029                 | —                     | 662,029               |
|                                                                    | <u>280,271</u>          | <u>—</u>              | <u>280,271</u>        | <u>721,700</u>          | <u>—</u>              | <u>721,700</u>        |

**6 Expenditure on: Donations payable (continued)**

Donations paid to institutions and individuals during the year comprised the following:

| Recipient                                                          | Total<br>2021<br>funds<br>£ | Total<br>2020<br>funds<br>£ |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| AVP Britain                                                        | —                           | 10,000                      |
| Bahamas Disaster Fund                                              | —                           | 5,000                       |
| Baytree Centre                                                     | 2,000                       | —                           |
| Butterfly Tree Project                                             | 14,000                      | 3,000                       |
| CAFOD                                                              | 15,000                      | —                           |
| The Calais Appeal                                                  | —                           | 4,000                       |
| Capacitar                                                          | —                           | 4,000                       |
| Cardinal Hume Centre                                               | 5,000                       | 5,000                       |
| Care4Calais                                                        | 6,000                       | —                           |
| Catholic Children's Society                                        | 10,000                      | 10,000                      |
| Crisis UK                                                          | —                           | 1,000                       |
| Chula Education                                                    | 2,000                       | —                           |
| Digby Stuart Association                                           | 3,000                       | —                           |
| Diocesan Justice & Peace Refugee Project                           | 3,000                       | —                           |
| DHN Cathedral Mercy Hub                                            | 3,000                       | —                           |
| Fenham Association of Residents (FAR) (including swimming project) | 30,000                      | 5,500                       |
| The Glass Door                                                     | 5,000                       | 5,000                       |
| HCPT                                                               | 1,000                       | —                           |
| The Hurtado Jesuit Centre Wapping                                  | 5,000                       | —                           |
| Katherine Low Settlement                                           | 8,500                       | 5,000                       |
| Little Sisters of the Poor                                         | —                           | 1,000                       |
| London Irish Centre Charity                                        | 2,500                       | 2,500                       |
| The Medaille Trust                                                 | 10,000                      | —                           |
| Medecins Sans Frontieres                                           | 2,500                       | 2,500                       |
| Minsteracres Retreat Centre                                        | 6,000                       | 20,004                      |
| Missio                                                             | 10,000                      | —                           |
| Newcastle S.V.P. Care Centre, Blackfriars, Newcastle               | 3,000                       | —                           |
| Newham Community Project                                           | 4,000                       | —                           |
| Network of Sacred Heart Schools and College                        | 9,000                       | —                           |
| Operation Noah                                                     | 5,000                       | 5,000                       |
| The Passage                                                        | 5,000                       | —                           |
| Pax Christi                                                        | 5,000                       | —                           |
| The Peoples' Kitchen                                               | 3,000                       | 2,500                       |
| Refugee and Migrant Project (RAMP)                                 | 4,000                       | 4,000                       |
| Sacred Heart High School Hammersmith Academy Trust (see below)     | —                           | 497,250                     |
| Sacred Heart Primary School                                        | —                           | 12,375                      |
| Schools Network                                                    | —                           | 3,000                       |
| The Shannon Trust                                                  | 2,500                       | 2,500                       |
| St Augustine's Priory                                              | —                           | 10,000                      |
| St Beuno's Spirituality Centre                                     | 1,000                       | —                           |
| St Godric's                                                        | —                           | 1,000                       |
| St Mary's RCVA                                                     | —                           | 1,000                       |
| Traidcraft Exchange                                                | 20,000                      | 20,000                      |
| UNHCR Syria Idlib appeal                                           | —                           | 2,000                       |
| Water Aid                                                          | —                           | 1,000                       |
| West End Refugee Service (WERS)                                    | 2,500                       | 2,000                       |
| Windsor Hill Wood                                                  | 5,000                       | —                           |
| Young Ministry Team Diocese of Hexham & Newcastle                  | 2,500                       | 2,000                       |
|                                                                    | <b>212,500</b>              | <b>651,629</b>              |
| Donations of less than £1,000                                      | <b>1,550</b>                | <b>400</b>                  |
| <b>Total donations paid to institutions</b>                        | <b>214,050</b>              | <b>652,029</b>              |
| Donations paid to individuals                                      | —                           | 10,000                      |
| <b>Total donations</b>                                             | <b>214,050</b>              | <b>662,029</b>              |

**6 Expenditure on: Donations payable** (continued)

The donation to Sacred Heart High School, Hammersmith Academy Trust during the year to 30 June 2020 was equivalent to the compensation received by the charity during that same year in respect to a 'Right to Light' claim (see note 5). The trustees decided to make this gift as the compensation received was in respect to a building occupied by the school.

**7 Expenditure on: Support of members of the Society and their ministry**

|                                           | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|-------------------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Premises                                  | 393,638                 | —                     | 393,638               | 313,801                 | —                     | 313,801               |
| Sisters' living and ministry expenses     | 1,472,441               | 5,631                 | 1,478,072             | 1,684,911               | —                     | 1,684,911             |
| Education, training and spiritual renewal | 17,830                  | —                     | 17,830                | 47,638                  | —                     | 47,638                |
| Schools Network and Archives              | 1,811                   | —                     | 1,811                 | 4,739                   | —                     | 4,739                 |
| Refurbishments and start-up costs         | 2,995                   | —                     | 2,995                 | 55,775                  | —                     | 55,775                |
| Other support costs                       | 491,933                 | —                     | 491,933               | 468,550                 | —                     | 468,550               |
| Governance costs (note 9)                 | 36,715                  | —                     | 36,715                | 46,888                  | —                     | 46,888                |
|                                           | <b>2,417,363</b>        | <b>5,631</b>          | <b>2,422,994</b>      | <b>2,658,055</b>        | <b>—</b>              | <b>2,658,055</b>      |

**8 Expenditure on: Hostel charges and provision of hostel accommodation**

This relates to the provision of hostel accommodation, primarily for those in higher education.

**9 Governance costs**

|                        | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2021 funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2020 funds<br>£ |
|------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Auditor's remuneration | 35,385                  | —                     | 35,385                | 46,888                  | —                     | 46,888                |
| Other governance costs | 1,330                   | —                     | 1,330                 | —                       | —                     | —                     |
|                        | <b>36,715</b>           | <b>—</b>              | <b>36,715</b>         | <b>46,888</b>           | <b>—</b>              | <b>46,888</b>         |

**10 Net (expenditure) income before gains on investments**

This is stated after charging:

|                              | Total 2021<br>£ | Total 2020<br>£ |
|------------------------------|-----------------|-----------------|
| Staff costs (note 11)        | 1,104,006       | 1,119,942       |
| Auditor's remuneration       |                 |                 |
| . Statutory audit services   | 27,625          | 29,230          |
| . Other accountancy services | 7,760           | 17,658          |
| Depreciation                 | 359,161         | 447,179         |

# **11 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees**

|                                                      | 2021<br>£        | 2020<br>£        |
|------------------------------------------------------|------------------|------------------|
| Staff costs during the year were as follows:         |                  |                  |
| Wages and salaries                                   | 989,072          | 1,011,993        |
| Social security costs                                | 78,521           | 71,220           |
| Pension costs                                        | 36,413           | 36,729           |
|                                                      | <b>1,104,006</b> | <b>1,119,942</b> |
| Staff costs per function were as follows:            |                  |                  |
| Support of members of the Society and their ministry | <b>1,104,006</b> | <b>1,119,942</b> |

No employees earned £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2020 - none).

The average number of employees during the year, analysed by function, was as follows:

|                                                      | 2021      | 2020      |
|------------------------------------------------------|-----------|-----------|
| Support of members of the Society and their ministry | <b>49</b> | <b>48</b> |

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £119,347 (2020: £123,044).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2020: none).

As members of the Society, none of the trustees have 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 £115,709 (2020 - £87,764).

## **12 Taxation**

The Society of the Sacred Heart CIO 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.

**13 Tangible fixed assets**

|                        | Total<br>land and<br>buildings<br>(see below)<br>£ | Building<br>improvements<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£        |
|------------------------|----------------------------------------------------|-------------------------------|------------------------|-------------------------------|-------------------|
| <b>Cost</b>            |                                                    |                               |                        |                               |                   |
| At 1 July 2020         | 9,331,059                                          | 1,382,192                     | 245,787                | 251,148                       | <b>11,210,186</b> |
| Additions              | 515,000                                            | 22,425                        | 11,698                 | 3,800                         | <b>552,923</b>    |
| Disposals              | —                                                  | —                             | (10,230)               | —                             | <b>(10,230)</b>   |
| At 30 June 2021        | <u>9,846,059</u>                                   | <u>1,404,617</u>              | <u>247,255</u>         | <u>254,948</u>                | <b>11,752,879</b> |
| <b>Depreciation</b>    |                                                    |                               |                        |                               |                   |
| At 1 July 2020         | 2,940,613                                          | 496,298                       | 189,645                | 129,780                       | <b>3,756,336</b>  |
| Charge for the year    | 140,402                                            | 147,882                       | 20,330                 | 50,547                        | <b>359,161</b>    |
| On disposals           | —                                                  | —                             | (10,230)               | —                             | <b>(10,230)</b>   |
| At 30 June 2021        | <u>3,081,015</u>                                   | <u>644,180</u>                | <u>199,745</u>         | <u>180,327</u>                | <b>4,105,267</b>  |
| <b>Net book values</b> |                                                    |                               |                        |                               |                   |
| At 30 June 2021        | <u>6,765,044</u>                                   | <u>760,437</u>                | <u>47,510</u>          | <u>74,621</u>                 | <b>7,647,612</b>  |
| At 30 June 2020        | <u>6,390,446</u>                                   | <u>885,894</u>                | <u>56,142</u>          | <u>121,368</u>                | <b>7,453,850</b>  |

**Land and buildings**

|                        | Freehold land and buildings |                       |                                    | Total<br>land and<br>buildings<br>£ |
|------------------------|-----------------------------|-----------------------|------------------------------------|-------------------------------------|
|                        | Residential<br>£            | Purpose<br>built<br>£ | Long<br>leasehold<br>property<br>£ |                                     |
| <b>Cost</b>            |                             |                       |                                    |                                     |
| At 1 July 2020         | 3,837,558                   | 4,421,397             | 1,072,104                          | <b>9,331,059</b>                    |
| Additions              | 515,000                     | —                     | —                                  | <b>515,000</b>                      |
| At 30 June 2021        | <u>4,352,558</u>            | <u>4,421,397</u>      | <u>1,072,104</u>                   | <b>9,846,059</b>                    |
| <b>Depreciation</b>    |                             |                       |                                    |                                     |
| At 1 July 2020         | —                           | 2,815,718             | 124,895                            | <b>2,940,613</b>                    |
| Charge for the year    | —                           | 129,913               | 10,489                             | <b>140,402</b>                      |
| At 30 June 2021        | <u>—</u>                    | <u>2,945,632</u>      | <u>135,384</u>                     | <b>3,081,014</b>                    |
| <b>Net book values</b> |                             |                       |                                    |                                     |
| At 30 June 2021        | <u>4,352,558</u>            | <u>1,475,766</u>      | <u>936,720</u>                     | <b>6,765,043</b>                    |
| At 30 June 2020        | <u>3,837,558</u>            | <u>1,605,679</u>      | <u>947,209</u>                     | <b>6,390,446</b>                    |

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

Certain of the charity's properties are subject to covenants which restrict their use and disposal.

**Capital commitments**

At 30 June 2021, no capital commitments existed (2020: £nil).

#### 14 Fixed asset investments

At 30 June 2021 investments comprised:

|                                                                                     | 2021<br>£         | 2020<br>£         |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
| Freehold investment property (see a. below)                                         | 1,450,000         | 1,200,000         |
| Listed investments, cash investments and cash held for re-investment (see b. below) | 38,800,835        | 35,185,517        |
| Programme related investments (see c. below)                                        | 1,894,621         | 1,894,621         |
|                                                                                     | <b>42,145,456</b> | <b>38,280,138</b> |

Movements on each category of investment are summarised below:

##### *a. Freehold investment property*

|                                                                      | 2021<br>£        | 2020<br>£        |
|----------------------------------------------------------------------|------------------|------------------|
| Fair value at 1 July 2020                                            | 1,200,000        | —                |
| Transfer from Society of the Sacred Heart Charitable Trust (note 22) | —                | 1,200,000        |
| Gain on revaluation                                                  | 250,000          | —                |
| Fair value at 30 June 2021                                           | <b>1,450,000</b> | <b>1,200,000</b> |

The investment property was valued as at 30 June 2021 by the trustees, with professional assistance, on an open market value basis.

##### *b. Listed investments*

|                                                                      | 2021<br>£         | 2020<br>£         |
|----------------------------------------------------------------------|-------------------|-------------------|
| <b>Listed investments</b>                                            |                   |                   |
| Market value at 1 July 2020                                          | 34,236,343        | —                 |
| Transfer from Society of the Sacred Heart Charitable Trust (note 22) | —                 | 33,047,507        |
| Net unrealised investment gains                                      | 4,564,492         | 1,188,836         |
| Market value at 30 June 2021                                         | <b>38,800,835</b> | <b>34,236,343</b> |
| <b>Cash held by investment managers for re-investment</b>            | <b>—</b>          | <b>949,174</b>    |
|                                                                      | <b>38,800,835</b> | <b>35,185,517</b> |
| Cost of listed investments at 30 June 2021                           | <b>31,901,818</b> | <b>31,901,818</b> |

At 30 June 2021 listed investments comprised holdings in the following common investment fund:

|                                        | 2021              |                                    | 2020              |                                    |
|----------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
|                                        | Market value<br>£ | Percentage of total portfolio<br>% | Market value<br>£ | Percentage of total portfolio<br>% |
| COIF Charities Ethical Investment Fund | <b>38,800,835</b> | <b>100</b>                         | 34,236,343        | 100                                |

All listed investments within the above fund were dealt in on a recognised stock exchange.

## 14 Fixed asset investments (continued)

### *b. Listed investments (continued)*

Investment manager fees are deducted automatically from the portfolio on a quarterly basis and are inherent in arriving at the market value of funds held. The fees deducted are based on a fixed percentage which exceeds that contractually payable by the charity. As such, the investment manager rebates fees to the charity every quarter. The rebates, which amount to £68,784 for the year to 30 June 2021 (2020: £50,913) are included in these accounts as miscellaneous income.

### *c. Programme related investments*

|                                                                      | 2021<br>£ | 2020<br>£ |
|----------------------------------------------------------------------|-----------|-----------|
| Carrying value at 1 July 2020                                        | 1,894,621 | —         |
| Transfer from Society of the Sacred Heart Charitable Trust (note 22) | —         | 1,894,621 |
| Carrying value at 30 June 2021                                       | 1,894,621 | 1,894,621 |

Programme related investments comprise:

|                          | 2021<br>£ | 2020<br>£ |
|--------------------------|-----------|-----------|
| Freehold properties      | 1,650,000 | 1,650,000 |
| Oikocredit equity shares | 244,621   | 244,621   |
|                          | 1,894,621 | 1,894,621 |

The charity owns a property which is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity owns a property which is leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart CIO, it is classified as a programme related investment.

The charity has funds of £244,621 (2020: £244,621) held in equity shares of Oikocredit, Ecumenical Development Cooperative Society U.A (Oikocredit). Oikocredit is an ethical investment opportunity which finances development projects benefiting disadvantaged and marginalised people.

## 15 Debtors

|                   | 2021<br>£ | 2020<br>£ |
|-------------------|-----------|-----------|
| Investment income | 1,028,383 | 848,232   |
| Other debtors     | 30,246    | 474       |
| Prepayments       | 33,240    | —         |
|                   | 1,091,869 | 848,706   |

# 16 Creditors: amounts falling due within one year

|                                                                      | 2021<br>£      | 2020<br>£      |
|----------------------------------------------------------------------|----------------|----------------|
| Accruals                                                             | 47,356         | 42,030         |
| Additions to tangible fixed assets – refurbishment of Duchesne House | —              | 24,121         |
| Donations payable                                                    | 663,000        | 668,500        |
|                                                                      | <b>710,356</b> | <b>734,651</b> |

# 17 Restricted funds

|                                  | At<br>1 July<br>2020<br>£ | Income<br>£ | Expenditure<br>£ | At<br>30 June<br>2021<br>£ |
|----------------------------------|---------------------------|-------------|------------------|----------------------------|
| Restricted funds - miscellaneous | 10,631                    | —           | (5,631)          | 5,000                      |

# 18 Tangible fixed assets fund

|                                                                      | 2021<br>£        | 2020<br>£        |
|----------------------------------------------------------------------|------------------|------------------|
| At 1 July 2020                                                       | 7,453,850        | —                |
| Transfer from Society of the Sacred Heart Charitable Trust (note 22) | —                | 7,897,220        |
| Net movements in year                                                | 193,762          | (443,370)        |
| At 30 June 2021                                                      | <b>7,647,612</b> | <b>7,453,850</b> |

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

# 19 Programme related investments

|                                                                      | 2021<br>£        | 2020<br>£        |
|----------------------------------------------------------------------|------------------|------------------|
| At 1 July 2020                                                       | 1,894,621        | —                |
| Transfer from Society of the Sacred Heart Charitable Trust (note 22) | —                | 1,894,621        |
| At 30 June 2021                                                      | <b>1,894,621</b> | <b>1,894,621</b> |

The programme related investment fund represents the value of the charity's programme related investments. As explained in note 14, these investments comprise land and buildings owned by the charity but used by other charities with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees of the charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**20 Designated funds**

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

|                                | At<br>1 July<br>2020<br>£ | New<br>designations<br>£ | Utilised/<br>released<br>£ | At<br>30 June<br>2021<br>£ |
|--------------------------------|---------------------------|--------------------------|----------------------------|----------------------------|
| Retirement fund                | 16,500,000                | —                        | (2,000,000)                | 14,500,000                 |
| Future strategy fund           | —                         | 20,000,000               | —                          | 20,000,000                 |
| Social Justice fund            | 7,000,000                 | —                        | (7,000,000)                | —                          |
| International development fund | 2,500,000                 | —                        | —                          | 2,500,000                  |
| Barat House Hostel fund        | 90,995                    | (18,885)                 | (12,102)                   | 60,008                     |
| Ministry support fund          | 500,000                   | 156,000                  | (156,000)                  | 500,000                    |
| Building maintenance fund      | 5,000,000                 | 89,123                   | (5,089,123)                | —                          |
| Malta fund                     | 1,477,531                 | 191,326                  | —                          | 1,668,857                  |
|                                | <b>33,068,526</b>         | <b>20,417,564</b>        | <b>(14,257,225)</b>        | <b>39,228,865</b>          |

♦ *Retirement fund*

This consists of monies which the trustees have set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Future strategy fund*

This new fund consists of assets to be applied in future years as the Society and the charity develop their long-term strategy. It is anticipated that some of the fund will be used to support the Society's mission in this country whether that be in respect to the acquisition, maintenance and development of property including making existing buildings environmentally friendly, addressing other environmental challenges to reduce the charity's carbon footprint, the development of new ministry, or facilitating the advancement of the charity's objects by making grants to other organisations.

♦ *Social Justice fund*

This fund consisted of monies which the trustees had set aside to provide funds in support of social justice activities of the Society of the Sacred Heart. This fund has been subsumed into the future strategy fund (see above).

♦ *International development fund*

This consists of monies which the trustees have set aside to support the international work of the Society of the Sacred Heart.

♦ *Barat House Hostel fund*

This fund represents the net assets of Barat House. The assets have been designated for use by the House only.

♦ *Ministry support fund*

This consists of monies which the trustees have set aside for the support of charitable work.

## 20 Designated funds (continued)

♦ *Building maintenance fund*

This fund represents monies previously designated by the trustees to support a detailed review of the charity's properties. This fund has now been subsumed into the new future strategy fund (see above)

♦ *Malta fund*

This represents monies which the trustees have designated for the care of the elderly religious in Malta.

## 21 Analysis of net assets between funds

|                                                          | General<br>fund<br>£ | Tangible<br>fixed<br>assets<br>fund<br>£ | Designated<br>fund<br>£ | Programme<br>related<br>investment<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ |
|----------------------------------------------------------|----------------------|------------------------------------------|-------------------------|--------------------------------------------------|--------------------------|--------------------|
| <b>Fund balances at 30 June 2021 are represented by:</b> |                      |                                          |                         |                                                  |                          |                    |
| Tangible fixed assets                                    | —                    | 7,647,612                                | —                       | —                                                | —                        | 7,647,612          |
| Investments                                              | 1,021,970            | —                                        | 39,228,865              | 1,894,621                                        | —                        | 42,145,456         |
| Current assets                                           | 4,447,351            | —                                        | —                       | —                                                | 5,000                    | 4,452,351          |
| Creditors falling due within one year                    | (710,356)            | —                                        | —                       | —                                                | —                        | (710,356)          |
| <b>Total net assets</b>                                  | <b>4,758,965</b>     | <b>7,647,612</b>                         | <b>39,228,865</b>       | <b>1,894,621</b>                                 | <b>5,000</b>             | <b>53,535,063</b>  |

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

|                                                            | 2021<br>£        | 2020<br>£        |
|------------------------------------------------------------|------------------|------------------|
| <b>Total unrealised gains included above:</b>              |                  |                  |
| On listed investments                                      | 6,899,019        | 2,334,525        |
| On investment property                                     | 1,191,184        | 941,184          |
|                                                            | <b>8,090,203</b> | <b>3,275,709</b> |
| <b>Reconciliation of movements in unrealised gains</b>     |                  |                  |
| Unrealised gains at 1 July 2020                            | 3,275,709        | —                |
| Transfer from Society of the Sacred Heart Charitable Trust | —                | 2,086,873        |
| Add: net gains arising on revaluation in the year          | 4,814,494        | 1,188,836        |
| <b>Total unrealised gains at 30 June 2021</b>              | <b>8,090,203</b> | <b>3,275,709</b> |

## 22 Transfer from Society of the Sacred Heart Charitable Trust in the prior year

Six trustees of the CIO are also trustees of Society of the Sacred Heart Charitable Trust, a charity registered with the Charity Commission (Charity Commission Registration Number 227848). With effect from 1 July 2019, the activities, assets and liabilities of the charitable trust were transferred to the CIO. The net assets at that date comprised:

|                                                                                  | 1 July<br>2019<br>£ |
|----------------------------------------------------------------------------------|---------------------|
| Tangible fixed assets                                                            |                     |
| . Cost                                                                           | 11,243,975          |
| . Depreciation                                                                   | <u>(3,346,755)</u>  |
|                                                                                  | 7,897,220           |
| Fixed asset investments (including cash held by investment managers of £989,880) | 37,132,008          |
| Debtors                                                                          | 513,730             |
| Cash at bank and in hand                                                         | 4,351,661           |
| Creditors: amounts falling due within one year                                   | <u>(880,157)</u>    |
|                                                                                  | <u>49,014,462</u>   |

The assets and liabilities were represented by the following funds:

|                                    | 2020<br>£         |
|------------------------------------|-------------------|
| Restricted income funds            | 10,631            |
| General funds                      | 6,277,204         |
| Tangible fixed assets fund         | 7,897,220         |
| Programme related investments fund | 1,894,621         |
| Designated funds                   | <u>32,934,786</u> |
|                                    | <u>49,014,462</u> |

## 22 Connected charity and related party transactions

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2021, Digby Stuart College Trust owed the charity £30,246 (2020: £474).

Details of donations made to the charity by the trustees during the year are provided in note 11.

There were no other related party transactions during the year requiring disclosure (2020: none).

**23 Liability of the member**

The Provincial Superior of the Society, by virtue of holding that office, is ex-officio the sole member of the Charitable Incorporated Organisation (CIO) for as long as she holds that office. If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. It is the duty of the member of the CIO to exercise her powers as a member of the CIO in the way she decides in good faith would be the most likely to further the purposes of the CIO. The member shall before exercising her powers carry out such consultations and obtain such consents, if any, as may be required by the Society's Constitutions.

**24 Post balance sheet event**

In February 2022, one of the charity's properties in London was sold for gross proceeds of £375,000. The net book value included in these accounts in respect to the property disposed of was £234,320.