

**Society of
the Sacred Heart
CIO**

Annual Report and Accounts

30 June 2021

Charity Registration Number 1179288



Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Report of the trustees	3
Independent auditor's report	31

Accounts

Statement of financial activities	35
Balance sheet	36
Statement of cash flows	37
Principal accounting policies	38
Notes to the accounts	45

Reference and administrative details of the charity its trustees and advisers

Trustees	Sister Christine Austin Sister Christine Edwards Sister Catherine Lloyd Sister Sheila McNamara Sister Lorraine Pratt Sister Stephanie Romaine Sister Margaret Walshe Sister Margaret Wilson
Provincial Superior	Sister Catherine Lloyd
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Charity Registration Number	1179288
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 53-55 Uxbridge Road London W5 5SA
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD Stone King LLP Boundary House 91 Charterhouse Street Barbican London 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
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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, novitiate 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 180th 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. 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 £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
Income from:							
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
		2,038,395	—	2,038,395	2,616,374	—	2,616,374
Transfer from Society of the Sacred Heart Charitable Trust (Charity Registration Number 227848)	22	—	—	—	49,003,831	10,631	49,014,462
Total income		2,038,395	—	2,038,395	51,620,205	10,631	51,630,836
Expenditure on:							
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
Total expenditure		2,747,034	5,631	2,752,665	3,384,833	—	3,384,833
Net (expenditure) income before net gains on investments	10	(708,639)	(5,631)	(714,270)	48,235,372	10,631	48,246,003
Net gains on investments	14	4,814,494	—	4,814,494	1,188,836	—	1,188,836
Net income (expenditure) and net movement in funds		4,105,855	(5,631)	4,100,224	49,424,208	10,631	49,434,839
Reconciliation of funds:							
Balances brought forward at 1 July 2020		49,424,208	10,631	49,434,839	—	—	—
Balances carried forward at 30 June 2021		53,530,063	5,000	53,535,063	49,424,208	10,631	49,434,839

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 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		7,647,612		7,453,850
Investments	14		42,145,456		38,280,138
			49,793,068		45,733,988
Current assets					
Debtors	15	1,091,869		848,706	
Cash at bank and in hand		3,360,482		3,586,796	
		4,452,351		4,435,502	
Creditors: amounts falling due within one year	16	(710,356)		(734,651)	
Net current assets			3,741,995		3,700,851
Total net assets			53,535,063		49,434,839
The funds of the charity:					
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
			53,535,063		49,434,839

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 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,577,394)	(1,369,908)
Cash flows from investing activities:			
Investment income received		968,131	551,045
Interest received		10,819	20,557
Proceeds from the disposal of tangible fixed assets		—	172,500
Purchase of tangible fixed assets		(577,045)	(179,765)
Net cash provided by investing activities		401,905	564,337
Change in cash and cash equivalents in the year		(1,175,488)	(805,571)
Cash and cash equivalents transferred from Society of the Sacred Heart Charitable Trust (Charity Registration Number 227848)		—	5,341,541
Cash and cash equivalents at 1 July 2020	B	4,535,970	—
Cash and cash equivalents at 30 June 2021	B	3,360,482	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 £	2020 £
Net movement in funds (as per the statement of financial activities)	4,070,692	49,434,839
Adjustments for:		
Depreciation charge	359,161	447,179
Gains on listed investments	(4,564,494)	(1,188,836)
Gains on investment properties	(250,000)	—
Transfer from Society of the Sacred Heart Charitable Trust	—	(49,014,462)
Investment income	(1,148,282)	(1,123,068)
Interest receivable	(10,819)	(20,557)
Surplus on disposal of tangible fixed assets	—	(32,858)
(Increase) decrease in debtors	(63,010)	237,047
Increase (decrease) in creditors	(174)	(109,192)
Net cash used in operating activities	(1,577,394)	(1,369,908)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	3,360,482	3,586,796
Cash held by investment managers for re-investment	—	949,174
Total cash and cash equivalents	3,360,482	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.

Principal accounting policies Year to 30 June 2021

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 £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	722,491	—	722,491	756,249	—	756,249

2 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	1,159,101	—	1,159,101	1,143,625	—	1,143,625

3 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	31,250	—	31,250	95,450	—	95,450

4 Income from: Surplus on disposal of tangible fixed assets

	Unrestricted funds £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
Surplus on the disposal of community properties	—	—	—	26,711	—	26,711
Surplus on the disposal of motor vehicles	—	—	—	6,147	—	6,147
	—	—	—	32,858	—	32,858

5 Income from: Miscellaneous sources

	Unrestricted funds £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	125,553	—	125,553	588,192	—	588,192

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 £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	280,271	—	280,271	721,700	—	721,700

6 Expenditure on: Donations payable (continued)

Donations paid to institutions and individuals during the year comprised the following:

Recipient	Total 2021 funds £	Total 2020 funds £
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
	212,500	651,629
Donations of less than £1,000	1,550	400
Total donations paid to institutions	214,050	652,029
Donations paid to individuals	—	10,000
Total donations	214,050	662,029

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 £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
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
	2,417,363	5,631	2,422,994	2,658,055	—	2,658,055

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 £	Restricted funds £	Total 2021 funds £	Unrestricted funds £	Restricted funds £	Total 2020 funds £
Auditor's remuneration	35,385	—	35,385	46,888	—	46,888
Other governance costs	1,330	—	1,330	—	—	—
	36,715	—	36,715	46,888	—	46,888

10 Net (expenditure) income before gains on investments

This is stated after charging:

	Total 2021 £	Total 2020 £
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 £	2020 £
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
	1,104,006	1,119,942
Staff costs per function were as follows:		
Support of members of the Society and their ministry	1,104,006	1,119,942

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	49	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 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 land and buildings (see below) £	Building improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 July 2020	9,331,059	1,382,192	245,787	251,148	11,210,186
Additions	515,000	22,425	11,698	3,800	552,923
Disposals	—	—	(10,230)	—	(10,230)
At 30 June 2021	<u>9,846,059</u>	<u>1,404,617</u>	<u>247,255</u>	<u>254,948</u>	11,752,879
Depreciation					
At 1 July 2020	2,940,613	496,298	189,645	129,780	3,756,336
Charge for the year	140,402	147,882	20,330	50,547	359,161
On disposals	—	—	(10,230)	—	(10,230)
At 30 June 2021	<u>3,081,015</u>	<u>644,180</u>	<u>199,745</u>	<u>180,327</u>	4,105,267
Net book values					
At 30 June 2021	<u>6,765,044</u>	<u>760,437</u>	<u>47,510</u>	<u>74,621</u>	7,647,612
At 30 June 2020	<u>6,390,446</u>	<u>885,894</u>	<u>56,142</u>	<u>121,368</u>	7,453,850

Land and buildings

	Freehold land and buildings			Total land and buildings £
	Residential £	Purpose built £	Long leasehold property £	
Cost				
At 1 July 2020	3,837,558	4,421,397	1,072,104	9,331,059
Additions	515,000	—	—	515,000
At 30 June 2021	<u>4,352,558</u>	<u>4,421,397</u>	<u>1,072,104</u>	9,846,059
Depreciation				
At 1 July 2020	—	2,815,718	124,895	2,940,613
Charge for the year	—	129,913	10,489	140,402
At 30 June 2021	<u>—</u>	<u>2,945,632</u>	<u>135,384</u>	3,081,014
Net book values				
At 30 June 2021	<u>4,352,558</u>	<u>1,475,766</u>	<u>936,720</u>	6,765,043
At 30 June 2020	<u>3,837,558</u>	<u>1,605,679</u>	<u>947,209</u>	6,390,446

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 £	2020 £
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
	42,145,456	38,280,138

Movements on each category of investment are summarised below:

a. Freehold investment property

	2021 £	2020 £
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	1,450,000	1,200,000

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 £	2020 £
Listed investments		
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	38,800,835	34,236,343
Cash held by investment managers for re-investment	—	949,174
	38,800,835	35,185,517
Cost of listed investments at 30 June 2021	31,901,818	31,901,818

At 30 June 2021 listed investments comprised holdings in the following common investment fund:

	2021		2020	
	Market value £	Percentage of total portfolio %	Market value £	Percentage of total portfolio %
COIF Charities Ethical Investment Fund	38,800,835	100	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 £	2020 £
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 £	2020 £
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 £	2020 £
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 £	2020 £
Accruals	47,356	42,030
Additions to tangible fixed assets – refurbishment of Duchesne House	—	24,121
Donations payable	663,000	668,500
	710,356	734,651

17 Restricted funds

	At 1 July 2020 £	Income £	Expenditure £	At 30 June 2021 £
Restricted funds - miscellaneous	10,631	—	(5,631)	5,000

18 Tangible fixed assets fund

	2021 £	2020 £
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	7,647,612	7,453,850

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 £	2020 £
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	1,894,621	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 1 July 2020 £	New designations £	Utilised/ released £	At 30 June 2021 £
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
	33,068,526	20,417,564	(14,257,225)	39,228,865

♦ *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 fund £	Tangible fixed assets fund £	Designated fund £	Programme related investment funds £	Restricted funds £	Total 2021 £
Fund balances at 30 June 2021 are represented by:						
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)
Total net assets	4,758,965	7,647,612	39,228,865	1,894,621	5,000	53,535,063

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

	2021 £	2020 £
Total unrealised gains included above:		
On listed investments	6,899,019	2,334,525
On investment property	1,191,184	941,184
	8,090,203	3,275,709
Reconciliation of movements in unrealised gains		
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
Total unrealised gains at 30 June 2021	8,090,203	3,275,709

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 2019 £
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 £
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.