

**Society of
the Sacred Heart
CIO**

Annual Report and Accounts

30 June 2024

Charity Registration Number 1179288



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Reference and administrative details of the charity its trustees and advisers

Trustees	Sister Christine Edwards RSCJ Sister Catherine Lloyd RSCJ (Chair) Sister Sheila McNamara RSCJ Sister Bernadette Porter RSCJ Sister Lorraine Pratt RSCJ Sister Stephanie Romaine RSCJ Sister Marianne Tavares RSCJ Sister Margaret Wilson RSCJ
Provincial Superior	Sister Catherine Lloyd RSCJ
Administrative Address	3 Bute Gardens Hammersmith London W6 7DR
Telephone	020 8741 4688
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 84 Eccleston Square Pimlico London SW1V 1PX
Investment managers	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

Report of the trustees Year to 30 June 2024

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

The accounts have been prepared in accordance with the accounting policies set out on pages 33 to 38 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Introduction

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

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

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

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

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

Objectives

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

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

Leadership in the Society

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

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

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

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

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

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



Leadership in the Society (continued)

Governance Management Group – London April 2024

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

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

Activities and performance

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

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

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

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

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

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

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

Vocations Ministry

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

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

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

Activities and performance (continued)

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

Ongoing personal development of our members

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

Governance and Management

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

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

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

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

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

Table 1

Networking and Community

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

Activities and performance (continued)

Networking and Community (continued)

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

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

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

Health and Wellbeing

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



Duchesne House

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

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

Activities and performance (continued)

Health and Wellbeing (continued)

Duchesne House (continued)

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

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



Activities and performance (continued)

Health and Wellbeing (continued)

Duchesne House (continued)

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

Safeguarding

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

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

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

The advancement of Education

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

Activities and performance (continued)

The advancement of Education

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

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

Table 2

The Sacred Heart School and College Network

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

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

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

Activities and performance (continued)

The advancement of Education (continued)

The Sacred Heart School and College Network (continued)

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

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

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

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

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

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

Activities and performance (continued)

The advancement of Education (continued)

The Sacred Heart School and College Network (continued)



Presentation by Schools Network Coordinator – Vicky Lorenzato

The University of Roehampton

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

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

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

Sacred Heart Sanctuary Scholarship

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

Activities and performance (continued)

The advancement of Education (continued)

RUSH Scholarship

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

Other support of education

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

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

The advancement of the Roman Catholic religion

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

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

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

Spiritual Ministry

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

Activities and performance (continued)

The advancement of the Roman Catholic religion (continued)

Spiritual Ministry (continued)

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



Sr Lorraine Pratt teaching

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

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

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

Activities and performance (continued)

The advancement of the Roman Catholic religion (continued)

Chaplaincy ministry at Digby Stuart College, Roehampton University

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

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

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

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

Parish Ministry

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

The Relief of Poverty

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

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

Charitable Giving

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

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

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

Activities and performance (continued)

The Relief of Poverty (continued)

Charitable Giving (continued)

Sr Mary Barrow writes,

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



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

Ebbw Vale Food Pantry – a recipient of MSF funding

In Kind Giving

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

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



Medaille Safe House for trafficked women – London

Activities and performance (continued)

The Relief of Poverty (continued)

Conference of Religious

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

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

Our Future Plans

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

Relevant policies

Investment policy

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

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

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

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

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

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

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

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

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

Donations and grant making policy

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

Relevant policies (continued)

Donations and grant making policy (continued)

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

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

Fundraising policy

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

Financial review

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

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

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

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

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

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

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

Financial review (continued)

Reserves policy

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

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

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

Financial position

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

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

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

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

Financial review (continued)

Financial position (continued)

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

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

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

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

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

The charity's assets

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

Governance, structure and management

Trustees

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

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

Sister Christine Edwards

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



Governance, structure and management (continued)

Trustees (continued)



Sister Catherine Lloyd

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

Sister Sheila McNamara

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



Sister Bernadette Porter

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

Sister Lorraine Pratt

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



Governance, structure and management (continued)

Trustees (continued)



Sister Stephanie Romaine

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

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

Sister Marianne Tavares

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



Sister Margaret Wilson

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

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ◆ select suitable accounting policies and then apply them consistently.
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent.
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Management

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

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

Key management personnel

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

Key management personnel (continued)

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

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

Connected charity

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

Risk management

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

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

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

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

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

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

Safeguarding

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

Risk management (continued)

Safeguarding (continued)

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

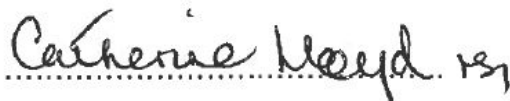
Loss of key staff

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

Health and safety

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

Approved by and signed on the behalf of the trustees:

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

Sister Catherine Lloyd RSCJ

Trustee

Approved by the trustees on: 28 February 2025

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

Opinion

We have audited the accounts of the Society of the Sacred Heart CIO (the 'charity') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the Charity's affairs as at 30 June 2024 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

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

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Reading the minutes of meetings of those charged with governance; and
- ◆ Enquiring of management as to actual and potential litigation and claims.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

6 March 2025

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

Statement of financial activities Year to 30 June 2024

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

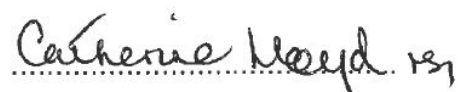
All recognised gains and losses are included in the above statement of financial activities.

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

Balance sheet 30 June 2024

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

Approved by the trustees and signed
on their behalf by:



Trustee

Approved by the trustees on: 28 February 2025

Statement of cash flows Year to 30 June 2024

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

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

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

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

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	4,965,650	2,596,323

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

Principal accounting policies Year to 30 June 2024

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

Basis of preparation

These accounts have been prepared for the year to 30 June 2024 with comparative information given in respect to the year 30 June 2023.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

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

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

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Assessment of going concern (continued)

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regards to the next accounting period, the year ending 30 June 2026, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the risk management sections of the trustees' report for more information).

Income

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

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

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

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

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

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

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

Expenditure

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

Expenditure (continued)

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

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

♦ ***Donations payable***

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

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

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

♦ ***Provision of retreat accommodation***

Expenditure on Barat House which provides accommodation for students.

Support and governance costs

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

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

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

Tangible fixed assets

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

♦ ***Freehold land and buildings***

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

◇ ***Residential***

Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially different from their book value.

Tangible fixed assets (continued)

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

◇ *Purpose built residential care home*

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

◆ **Leasehold property**

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

◆ **Building improvements**

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

◆ **Fixtures and fittings**

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

◆ **Motor vehicles**

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

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

Heritage Assets

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

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

Investments

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

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

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

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments (continued)

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

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

Programme related investments

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

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

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

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Creditors and provisions

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

Fund accounting

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

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

Principal accounting policies Year to 30 June 2024

Fund accounting (continued)

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

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

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

Services provided by members of the Society

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

Pension costs

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

1 Income from: Donations and legacies

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

2 Income from: Investments and interest receivable

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

3 Income from: Charitable activities

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

4 Income from: Surplus on disposal of tangible fixed assets

	Unrestricted funds	
	2024 £	2023 £
Surplus on the disposal of land and buildings	—	165,082
Surplus on the disposal of motor vehicles	4,750	11,000
	4,750	176,082

5 Income from: Miscellaneous sources

	Unrestricted funds	
	2024 £	2023 £
Investment manager fee rebate (note 13)	68,827	91,531
Other	59,832	30,528
	128,659	122,059

6 Expenditure on: Donations payable

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

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

Donations paid to institutions during the year comprised the following:

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

6 Expenditure on: Donations payable (continued)

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

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

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

8 Governance costs

	Unrestricted funds	
	2024 £	2023 £
Auditor's remuneration	38,040	49,600

9 Net expenditure before gains on investments

This is stated after charging:

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

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

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

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

	2024	2023
£60,000 - £69,999	1	—

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

	2024	2023
Support of members of the Society and their ministry	57	53

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

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

As members of the Society, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £198,710 (2023 – £256,213).

11 Taxation

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

12 Tangible fixed assets

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

Land and buildings

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

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

Capital commitments

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

13 Fixed asset investments

At 30 June 2024 investments comprised:

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

Movements on each category of investment are summarised below:

a. Cash investments

	2024 £	2023 £
At 1 July 2023	4,348,371	—
Cash investments reclassified to cash	(4,348,371)	—
Additions	—	4,348,371
At 30 June 2024	—	4,348,371

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

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

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

b. Listed investments

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

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

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

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

13 Fixed asset investments (continued)

b. Listed investments (continued)

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

c. Programme related investments

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

Programme related investments comprise:

	2024 £	2023 £
Freehold properties	1,650,000	1,650,000
Oikocredit equity shares	—	247,071
	1,650,000	1,897,071

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

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

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

14 Debtors

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

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	72,031	114,068
Donations payable	101,222	66,157
Salaries and related creditors	14,651	21,910
	187,904	202,135

16 Restricted funds

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

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

17 Tangible fixed assets fund

	2024 £	2023 £
At 1 July 2023	7,283,380	7,976,975
Net movements in year	749,639	(693,595)
At 30 June 2024	8,033,019	7,283,380

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

18 Programme related investments

	2024 £	2023 £
At 1 July 2023	1,897,071	1,895,845
Net movement in year	(247,071)	1,226
At 30 June 2024	1,650,000	1,897,071

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

18 Programme related investments (continued)

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

19 Designated funds

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

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

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

♦ *Retirement fund*

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

♦ *Future strategy fund*

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

19 Designated funds (continued)

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

20 Analysis of net assets between funds

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

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

20 Analysis of net assets between funds (continued)

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

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

21 Connected charity and related party transactions

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

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

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

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

22 Liability of the member

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

23 Post balance sheet events

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