

SISTERS OF THE SACRED HEARTS OF JESUS AND MARY CIO

England & Wales · Charity number 1179804

Details

Other names	CHIGWELL SISTERS, SSHJM
Status	Registered
Legal form	CIO
Registered	2018-09-04
Register	View on the Charity Commission register

Contact

Address	Chigwell Convent 803 Chigwell Road Woodford Green IG8 8AU
Phone	02085041624
Email	gensec@sacredheartsjm.org
Website	www.sacredheartsjm.org

Activities

Objects: THE OBJECT OF THE CIO IS PROMOTING ANY CHARITABLE WORKS OR OBJECTS FOR THE TIME BEING CARRIED ON OR SUPPORTED (WHETHER IN THE UNITED KINGDOM OR ELSEWHERE) BY THE CONGREGATION AS THE TRUSTEES SHALL FROM TIME TO TIME WITH THE APPROVAL OF THE CONGREGATIONAL LEADER THINK FIT.

Activities: To support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas: Health, Education, Pastoral ministry and overseas outreach.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Disability, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- El Salvador
- Ireland
- Philippines
- Scotland
- Uganda
- United States
- Zambia
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,652,908	£5,421,389	£26,390,964	55
2024-03-31	£4,758,021	£4,734,965	£29,004,757	56
2023-03-31	£2,416,705	£4,472,430	£27,762,686	54
2022-03-31	£3,795,029	£4,534,830	£30,865,920	60
2021-03-31	£4,852,012	£4,935,458	£31,186,970	67

Trustees

Name	Role	Appointed
Sister Elizabeth Dawson		2022-02-02
Sister Elizabeth Mooney		2022-02-02
Sister Julie Anne Rose		2022-02-02
Sister Mary Dargie		2022-02-02
Sister Mwalula Yvonne Mwila		2022-02-02

Accounts

**Sisters of the Sacred Hearts
of Jesus and Mary CIO**

Annual Report and Accounts

31 March 2025

Charity Registration Number
1179804

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

Trustees	Sister Julie Rose Sister Mary Dargie Sister Elizabeth Mooney Sr Mwalula Yvonne Mwila Sr Elizabeth Dawson
The Superior General	Sister Julie Rose
The Canonical Secretary	Sister Kathleen Corbett
The Congregational Treasurer	Sister Elizabeth Dawson
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	1179804
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Investment managers	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU

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

Solicitors Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

Insurance Brokers PIB Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

Report of the trustees Year to 31 March 2025

The trustees present their report together with the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the “charity”) for the year ended 31 March 2025.

The accounts have been prepared in accordance with the accounting policies set out on pages 35 to 41 and comply with the charity’s constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 100 (101 - 2024) sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The Sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

“Joyful co-creators sharing God’s unconditional love in our wounded world”

“We, the Sisters of the Sacred Hearts of Jesus and Mary,

urged by the compassion of Christ

and responsive to the anguish of Peoples and Planet,

are called to help shape Communities

of Gentleness, Justice and Peace

that witness to the healing, liberating and empowering

love of God.”

The accounts accompanying this report are the accounts of the charity through which certain of the net assets of the Congregation in England, Wales and Scotland are administered.

Mission

The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ Health (including caring for members of the Congregation)
- ◆ Education (including education of our own sisters and education within our overseas outreach)
- ◆ Pastoral ministry
- ◆ Overseas outreach

Activities, achievements, specific objectives and relevant policies

Health

The Sisters of the Sacred Hearts of Jesus and Mary CIO operates one Care Home in the United Kingdom.

Marian House Care Home

Marian House is a sanctuary of care and compassion, nestled in the heart of Uxbridge. More than just a care home, it is a mission led by the sisters of the Sacred Hearts of Jesus and Mary, devoted to creating a nurturing and supportive environment for retired religious sisters and elderly women.

Our location is not just convenient, but also vibrant, being close to social amenities, the renowned Hillingdon Hospital, and the responsive Hillingdon Fire Service. But it's not just about the location, it's about the community we've built here.

At Marian House, our residents are not just inhabitants, but integral members of an empowering Christian community. Here, every individual leads a rich quality of life in an environment that is safe, professional, and dignified, yet feels just like home. Our aim is to provide the highest quality of care, always respecting the rights and choices of every individual.

The layout of Marian House is designed to be welcoming, offering a stunning view of a vast garden, complete with an age-old fishpond. This is a place where nature meets care, offering tranquility and a connection with the outdoors. Our chapel, a spiritual haven for our residents, continues to uphold their faith with daily morning Mass and evening prayers, ensuring their spiritual well-being.

The building itself is thoughtfully divided into the first floor, St Joseph's, and the second floor, St Anne's, St Frances, and St Mary's. We are a CQC registered care home, with 26 registered beds, ensuring professional standards of care.

Safety is not just a priority, but a commitment at Marian House. We adhere to all legislative requirements and operate a 24-hour CCTV system, ensuring peace of mind for our residents and their families.

Care Home Staffing Structure

The Care Home is managed by a Registered Manager, who is supported by one Team Leader. The staff team includes Senior Care Workers, Level 2 Carers, an Administrator, a Finance Officer, a Kitchen Supervisor, Laundry and Domestic Staff, a Full-Time Caretaker, a Cook, an Assistant Chef, and Kitchen Assistants.

The Registered Manager reports directly to Sr. Elizabeth Mooney, Trustee. The Team Leader, Administrator, Finance Officer, Caretaker, and Chef/Cook report to the Registered Manager. All Senior Carers and Level 2 Carers report to the Team Leader.

The Registered manager remains available to offer further advice or guidance on any matters related to the Care Home.

Working with other Organisations

Marian House works in partnership with the London Borough of Hillingdon. Four of the service users are currently funded by the local authority. The Care Home also collaborates closely with local NHS hospitals and healthcare services, which provide additional support and advice on the service users' care and wellbeing, as well as staff training as needed. The Care Home has a community care home service team appointed by Hillingdon, which visits the home as needed and offers support under the Care Home Support Programme, aiming to reduce hospital admissions.

Marian House is also regulated and inspected by the Care Quality Commission (CQC), which ensures that the Home complies with all current legislation and that service users receive dignified, respectful, and person-centred care in a safe environment. The CQC also provides advice and guidance to the Home when needed.

This year, Marian House has not been visited by the Quality Assurance team, nor has it undergone a recent inspection by the Care Quality Commission (CQC). However, the home received a Provider Information Return (PIR) last year, which was completed thoroughly and submitted by the deadline. All comprehensive questions were answered in detail, and the CQC expressed satisfaction with the PIR submission. As a result, no inspection was scheduled at that time. Nonetheless, a CQC inspection may be expected later this year.

Achievements and performance

This year, Marian House has made significant strides to ensure full compliance with regulatory standards, contributing to the smooth and effective running of our service.

Policy and Procedure Updates

We successfully updated our home's policies and procedures using a dedicated portal and mobile application. This system allows staff to access, read, and acknowledge policies directly from their devices. Each staff member logs in with their password, reads the relevant policy, and confirms their understanding by signing electronically. These acknowledgements are tracked and reflected on the central policy portal, helping staff stay informed and improving overall performance.

Infrastructure Enhancements

- ◆ Smart Boiler Installation: Our previous boiler, in use for over 20 years, was no longer functioning efficiently. We have now installed a new smart boiler system that supports both central heating and electricity. It is energy-efficient and environmentally friendly.

Report of the trustees Year to 31 March 2025

- ◆ Entrance Door Upgrade: The old entrance door no longer met fire and health & safety regulations. We replaced it with a modern, compliant model that enhances safety for residents, staff, and visitors.
- ◆ Fire Door Replacement: We replaced outdated 65 Door guard fire doors with new 65 electric fire doors, ensuring full compliance with UK fire safety legislation.
- ◆ Fire Alarm Integration: Marian House's fire alarm system is now integrated with the Hillingdon Fire Brigade. This means that any alarm trigger sends an immediate signal to the local fire service, ensuring a prompt response.
- ◆ Smart Intercom System: We upgraded our outdated intercom to a new smart system, improving communication and safety across the home.

Digital Care Planning

We adopted the Nourish care planning system, which is GDPR-compliant and allows staff to document care on the go. This system enhances staff familiarity with residents' needs and supports more responsive, person-centred care.

Staff Development and Training

We've strengthened our training programme through a mix of in-house and online sessions, ensuring all mandatory training is up to date for both new and existing staff. Highlights include:

- ◆ One staff member completed their NVQ Level 3.
- ◆ Two staff members enrolled in NVQ courses.
- ◆ One staff member began a Leadership in Health and Social Care course.
- ◆ All new staff completed the Care Certificate as required.

Catering Improvements

We managed to recruit a Catering Manager to oversee kitchen operations and ensure compliance with food safety legislation. As a result, Marian House earned an additional star from the UK Food and Hygiene Regulatory Body.

New Website Launch

We launched a new website that reflects our mission and daily operations. It allows visitors, both local and international to learn about our work and how we support vulnerable individuals to live fulfilling lives.

Report of the trustees Year to 31 March 2025

Activities and Community Engagement

Although we do not currently have a dedicated Activities Coordinator, we've built strong community partnerships to provide enriching experiences for our residents. Weekly activities include:

- ◆ Monday: Chair exercises with Penny
- ◆ Tuesday: Hairdressing by Kate
- ◆ Wednesday: Activity sessions with Juan
- ◆ Thursday: Live saxophone performances
- ◆ Additional activities include movie afternoons, reminiscence sessions, and one-to-one chats.

In Summary, this year has been a year of outstanding progress and accomplishment at Marian House. We've made meaningful upgrades to our facilities, elevated the standard of care we provide, and deepened our connections within the wider community. These achievements reflect our unwavering commitment to delivering exceptional care to our sisters and residents.

Our success has been made possible through the dedication of our staff, the support of families, St Mary's sisters and the involvement of our local community partners. Together, we've created a stronger, safer, and more compassionate environment and we look forward to continuing this journey of excellence in the years ahead.



Education

Over the last number of years, the trustees have put great emphasis on improving the academic qualifications and developing the leadership skills of our sisters throughout the world. This has involved a number of sisters upgrading their present qualifications in-country and travelling to other countries for Formation and Leadership training. Some sisters have gone to other countries in Africa and also come to the UK and to the Philippines to follow courses, and this has greatly benefitted the Congregation as a whole.

Pastoral Ministry

Practically all of our ministries are pastoral in nature. The aims of the trustees in this area are to enable and encourage members of the Congregation to carry out much needed social and pastoral work within the local community. The objective being to motivate sisters to work and assist in any way the poor, elderly, sick and marginalised. Sadly, like many other religious congregations our age profile reflects that over two thirds of our Congregation are over seventy. However, the majority of sisters (even those in their 80's) are still very active in the area of pastoral ministry, providing a very valuable service to those in need.

Many of our "retired" UK and Irish sisters continue to be involved in hospital and care home chaplaincy, school governorship (including schools other than our own), parish ministry which includes visiting hospices, hospitals, the sick and housebound, homeless centres and our own convents by continuing to care for less able retired sisters.

Below one of our sisters describes her work this year in her local parishes:

Sr Edith - My Ministry at St Robert Bellarmine and St Bernard's Church.

Parish ministry is about being available to whoever seems to want an ear. Listening is hugely important to those who want to speak about their problems or concerns or who may be looking for some advice or encouragement. I see this as being at the basis of most of what I do.

St Robert's parish has a catholic population of 2,200 souls. Like so many other our parish is multicultural with many families from Nigeria and Cameroon having recently joined our community, but there are also Filippino, Polish, Asian as well as a good representation of Irish families. We celebrate an 'African Mass' every 2 months.

St Bernard's has a population of 200. The parish has one primary school: St Bernard's with a capacity for 484 pupils. There are 2 Nursing Homes; I visit one of the homes weekly with the Eucharist for one resident and monthly for about 16 others engaging with them in their rooms, the 2nd home I used to visit weekly for 3-7 residents, but lately another Eucharistic minister has taken over this role and I visit, when necessary, when there are absences. I will go to the events at the Homes and support them when I can. When any of the residents are hospitalised, I visit them there.

There is also another unit I was involved with where a local charity provides housing for mentally fragile people – about 5 residents. I was visiting 2 of these residents weekly for some months, but lately one has been hospitalized and the other sadly has died.

Much of my time over the past few months has been with a local lady who was eventually admitted to hospital. She has few relatives and leans heavily on me for support and visiting her daily.

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Mitre House is a home for some 5 adult residents who have learning difficulties. I visit on occasion but make a point of welcoming and chatting to them when they come to the church each week. Each Advent and Lent I lead a prayer group with the interested adults in the parish. We might number up to 8 -10 regularly. I lead the Rite of Christian Initiation of Adults – RCIA - this is a programme for adults wishing to know more about the Catholic faith and who may want to become catholic as a result, this runs weekly. The numbers have been small 2-4 and usually there have been support from parishioners already catholic which is invaluable. This can run during the day or evening whichever suits the participants. The programme runs from August until after Easter.

I don't visit the school except for concerts but I work with the teachers responsible for preparing the children for the reception of the Sacraments. The children come to Mass at the church every first Friday, and on that day the older ones remain to serve coffees/teas to the parishioners. So, it's good to meet up with these children in this less formal occasion.

Last year I was asked to instruct children who don't attend the local catholic school for the Sacraments after school. Mostly, I have been going to the child's family home to do this, but there are some parents who prefer to come to the church and the sessions take place there. This year there is already a short list of such children, one of whom is non-verbal, so these sessions will be challenging. I have loved these sessions particularly since they bring me in contact with families which means that I can form a relationship with the adults in the family and get to know them better.

I am the parish co-ordinator for Safeguarding and together with our parish secretary work to make sure that our young people and frail adults are safe when attending church or are involved in church activities.

I visit some elderly in their homes to bring the Eucharist. At present I visit 4 individuals, but the numbers fluctuate. Many are lonely too, so I do spend some time chatting with them.

Each morning, I make sure everything is ready for the celebration of the Eucharist. That means choosing hymns and starting them off; making sure there are readers, servers etc. I help with the church cleaning; am a member of the parish council and the parish office team. I set up the rota for Readers; help out at the children's liturgy on Sundays and prepare the Prayers of the Faithful for the weekend Masses.

Once a week I make a phone call on behalf of Alzheimer's Scotland. During COVID lockdown I had 4 persons to phone, but now I have only one.

I am a member of The Mungo Singers – a choir who practice on Sundays and perform at various inter-church events as well as funerals for clergy, church events in the archdiocese and events by Glasgow City Council. This last note is not strictly speaking ministry, but there are times I have to be available for the events.

As you can gather our sisters ministries are very important to many.

We also have sisters assisting in the administration of the charity, ensuring we are moving forward and adapting to change.

Report of the trustees Year to 31 March 2025

In other areas of ministry our sisters are involved with catechesis, teaching English as a second language to immigrants trying to get jobs or applying for citizenship in the UK/Ireland, organising prayer groups and supporting travelling people who are being discriminated against at every level of society.

One of our sisters highlights below her work at the Ealing Community School of English (ECSE) a volunteer-run and led school, with a team of over 20 volunteer teachers, teaching assistants and administrators, supporting a community of over 200 students from over 50 nationalities., below is a short summary of one sisters volunteer work:

I have been a volunteer with this project since October 2022. I began as a classroom assistant, completed the 3-month in-house ESOL training programme and began teaching a Basic Beginners class in September 2024.

The profile of the students has changed significantly over the last 10 years in that the majority of the students are now refugees and asylum seekers, many of them living in hotels and hostels.

There is a strong emphasis on helping the students to integrate into their various communities, make friends and feel supported as many of them arrive in the country traumatised and afraid.

The cultural evenings throughout the year are joyous occasions, as we all try out different foods and attempt the various cultural dances!

The project was instrumental, alongside other community organisations, in helping the Borough of Ealing attain accreditation as a Borough of Sanctuary by the UK charity, City of Sanctuary.

This recognises that the borough is a place of welcome and safety for sanctuary seekers fleeing war and persecution around the world.

In late May of this year, a couple came to the project to learn English. They had had to flee their country with their five young children due to religious persecution. I was delighted to hear that the family had received their leave to remain status and can now begin to rebuild their lives.

St Augustine's Priory House of Prayer



St Augustine's Priory, House of Prayer, is a Christian place of Retreat from the noise and busy-ness of people's everyday lives. It exists for the sole reason of offering a quiet and peaceful space for those of any Religious Denomination and none, who seek peace and quiet for either residential or daily accommodation. This House of Prayer, by the sea in North Wales, offers a homely and comfortable atmosphere where people, who wish to, are free to become aware of God's presence in their lives, to deepen their relationship with God or simply to just 'BE'. Individual Spiritual Accompaniment is available on set Retreats or can be provided on request according to availability.

In order to help people we offer Christian Retreats of various kinds, or accommodation only, according to the needs of those making enquiries and wanting to come to this House of Prayer. Other Religious Congregations, male and female, also come for their own Retreats or Meetings.

Apart from the Various Retreats which cater for most Spiritual needs of those on a Residential or Non-Residential Prayer Days, we also accommodate meetings for; small Parish Groups; Religious Congregations' Chapter Meetings or Retreats; School Groups near and far; Local Teachers' Training Days; Local Carers Support Group; Over-Eaters Anonymous Group; Various Denominations Parish Groups or Leaders' Meetings; Local Retreat Centre's Staff training. Although we accommodate and host such meetings most Groups bring their own facilitators and Leaders.

In order to help with the costs of running St Augustine's House of Prayer, as part of our hospitality, we offer all-inclusive meals (full board) and so there is an invitation to those using our premises and facilities, for a Suggested Offering according to the type and length of a Retreat/Meeting or of how many rooms and other facilities and refreshments are used and catered for. We also operate with a small team of 3 staff (plus a part-time Handyman/Gardener) who share roles in our endeavour to keep our running costs low.

In keeping with our vision to put the Spiritual and Prayer side of our existence here, before financial gain, the Suggested Offerings are kept as low as possible in order to be affordable to those who would otherwise not be able to attend the Retreats or Days of Prayer etc. We therefore subsidise some people who desperately need our Spiritual support, and this particular space of peace and quiet, for their own well-being and mental health.

Justice and Peace

The Justice and Peace Centre continues to offer its IT expertise to the sisters and their helpers to produce materials needed for their ministry. Incorporated in the Justice and Peace Centre is a “communication hub” from which webinars are conducted so that members of the Congregation can stay connected with each other and through which they are encouraged to share ideas and experiences in their ministry.

Along with publishing the quarterly magazine “Keeping in Touch” which is available on our website, the Centre continues to assist in the development of the Sacred Heart Companions Programme. The Centre also supports the Romero Trust by printing their newsletter. The Romero Trust is a group supporting justice in El Salvador, which was an area we have been very involved in over the last few years.

Sacred Heart Companions

In the UK many of the original groups have now come to completion, the same is true in Ireland. The reason being the members have aged and are no longer able to meet in groups. We try to keep in touch with as many as possible by email and letters however this too is proving difficult with the age profile of our own sisters.

The Chigwell group has gone from strength to strength! This is mainly due to the enthusiasm of Anita a very faithful companion. The group meet monthly, pray together and then socialise enjoying each other's company. It must be said most members in Chigwell are younger and it is a cosmopolitan group!

Uganda - (Mukono, Pabo) these groups meet to share prayer and in addition support some of the work done with our special Needs Children.

Cebu - this would be a similar model where Companions support the mission especially in the area of special needs children

Zambia - (Mbala) meet monthly to pray and share. Some Companions also are involved on a voluntary basis visiting sick and disabled in Mbala.

El Salvador - Continue to have Holy Hours regularly for peace in their very violent country.

The Congregation appreciate that the Sacred Heart Companions are part of our extended family!

Victor Braun Federation

The Federation obtained pontifical right on 4 July 2003. The Victor Braun Federation comprises three Institutes which all stemmed from the same foundation by Father Peter Victor Braun in Paris 1866. Three Congregations (ourselves based in the UK, Soeurs Servantes du Sacré-Coeur de Jésus – France, and Dienerinnen des heiligsten Herzens Jesu – Austria) joined together to become the Federation. We meet regularly and our mission is supported through this link. All three Congregations share a desire to remain connected (hence the sharing of the Federation house in St Avoild). Even though we bring our own culture, personalities and our individual uniqueness, we are united by our founder Father Victor Braun.

As part of the Federation Conversation meetings, it was felt that it would be important for Sisters from the three Congregations to meet and ‘get to know each other’. The introductory meeting was held at St. Augustine's Priory from 1st July to 5th July 2024.



We enjoyed being together and everyone found this a good experience. Special thanks go to Sister Mary Cathie for organising the week and arranging the wonderful visits. Also to the staff of St, Augustine's for their welcome and all they did behind the scenes to make this visit a wonderful experience.

Overseas Outreach

The charity supports the Sisters' ministries in the following countries: The Philippines, Uganda and Zambia and we have one Sister living and working in California working within health care and pastoral work for the local diocese and one sister living in El Salvador carrying out local ministry.

To include a report from each overseas mission country and our numerous projects within each country would result in a very lengthy document. Therefore, this year we are highlighting a sample of the work we have been involved in Uganda;

Pabo Uganda, Feeding programme and Vehicle purchase

The Congregation were asked to support our larger 3rd party funded project "Victor Braun School" in Pabo by specifically funding a feeding programme for children. The primary goal of the feeding program is to ensure that children who would otherwise miss school due to hunger, receive at least one nutritious meal daily.

By providing essential meals, we aim to:

- ◆ Increase school attendance and retention.
- ◆ Improve students' concentration and participation in class.
- ◆ Promote overall well-being among the children.



Items bought for the children and the children enjoying their free school meals

The feeding programme has been very successful in helping the children remain in school, promote their well being and improve concentration.

This year we also funded the purchase of 2 new Landcruiser's for our project and community in Pabo, Uganda, procured to support field operations and improve accessibility to project areas under WACFO (Women and Children First) and to support the sisters in their ministry.

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The vehicles were officially received by WACFO and Pabo Community on 6th March 2025 and since they have been instrumental in facilitating the efficient transportation of project staff and materials particularly to remote and underserved areas where poor road conditions pose logistical challenges especially for the WACFO Project Vehicle.

Its deployment has significantly enhanced field operations by:

- ♦ Reducing transport related delays,
- ♦ Improving staff mobility and overall operational efficiency, and
- ♦ Enabling more regular and timely project supervision, monitoring, and community outreach activities.

The staff and sisters in Pabo commented “We appreciate the support from SSHJM in strengthening our logistical capacity to better serve our communities”.



WACFO staff engage the community in a preparatory meeting for a borehole drilling project at Kal Oguru village in Pabo



Learners from Victor Braun School reporting back on a Monday morning

Investment policy

The charity's investments at 31 March 2025 were managed entirely by Sarasin and Partners LLP. In 2018 the trustees made the decision to follow Pope Francis' lead in "Caring for the Earth" by moving the full portfolio of investments to Sarasin's Climate Active policy which offers a timely multi-asset investment solution for charities concerned by increased climate risk and who want to play a part in driving behavioural change. There are no restrictions on the charity powers to invest.

The investment strategy has been set by the trustees and it takes into account income requirements, the risk profile and investment managers' views of the market prospects in the medium term.

Although the positive nature of the fund is to invest with other like-minded charities concerned about the future of the earth, the policy has, and will continue to, require total return through a diversified portfolio whilst providing a level of income advised by the relevant trustees. There is also an ethical investment policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees, meeting annually with the investment managers to discuss performance and the future outlook of the fund.

Future plans

The General Chapter took place in late 2021. New Acts of the Chapter were then produced and continue to be implemented over the new trustees' term of office of 6 years, this continues to be adapted and monitored.

For some years now, particularly due to the declining numbers and age profile of our Sisters in the UK, we have been working, and will continue to work, more collaboratively with other congregations and organisations with similar Charisms and ethos to our own, in this way we are sharing our knowledge and expertise to support them in ministries.

Given the declining number of our UK Sisters, we will be looking in the coming years to rationalise our estates, this needs to be a planned approach to ensure the charity's best interests are maintained. The Trustees have engaged property agents, who are currently carrying out detailed preparatory work for the proposed marketing of the Congregation's Mother House and site, the charity's largest property, to ensure that best value is achieved on sale.

At Marian House, we are committed to continuously delivering the highest standard of care and attention to our beloved sisters and residents.

Looking ahead at Marian House, our goal is to continue to maintain the appropriate staffing levels required to support exceptional care, uphold our strong reputation, and work diligently toward achieving an Outstanding rating from the Care Quality Commission (CQC). Through ongoing staff development, service improvements, and a focus on excellence, we aim to ensure Marian House remains a model of compassionate and high-quality care.

Financial review

Results for the year

A summary of the year's results can be found on page 32 of this report and accounts.

Total income amounts to £2,652,908 (2024 - £4,758,021) and expenditure totals £5,421,389 (2024 - £4,734,965).

Total income includes £899,329 (2024 - £656,931) generated by the residential Care Home. Other categories of income include investment income and interest receivable and donations and legacies. This latter category includes the salaries and pensions of individual members of the Congregation which are donated to the charity either by deed of covenant or by gift aid.

Total expenditure comprises expenditure on the residential and Care Home of £1,263,939 (2024 - £1,072,179). The major part of the expenditure on the Home is staff costs which totalled £818,326 (2024 - £730,700) representing payments to the Home's staff. Other expenditure includes the personal and living costs of the members of the Congregation and their ministry, donations paid and the costs of administering and managing the charity. The charity made donations of £1,514,210 (2024 - £1,293,869) to its connected charity in Ireland, the majority of which were used to assist with the ongoing living and care costs of sisters in Ireland along with support of the Irish Charitable Trust and its governance.

Deducting expenditure from income for the year gives a net expenditure figure for the year before investment gains of £2,768,481 (2024 – net income of £23,056).

Investment performance

The charity's listed investments increased in market value during the year. An income yield of 2.7% was achieved, whilst the capital yield was 1%. The investments were managed in accordance with the trustees' investment policy and within the specified ethical guidelines.

Net gains on listed investments during the year amounted to £154,688 (2023 - Net gains £1,219,015).

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need 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 going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure (i.e. approximately £1.35m to £2.7m).

Report of the trustees Year to 31 March 2025

Financial position

The charity balance sheet showed total reserves of £26,390,964 (2024 - £29,004,757).

Included in this figure was an amount of £87,550 (2024 - £87,060) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 18 to the accounts, together with an analysis of movements in the year.

An amount of £20,733,646 (2024 - £22,923,953) has been designated, or set aside, for specific purposes. Of this £14.5 million (2024 - £17 million) represented the SSHJM Congregational Fund, which had been designated to provide for sisters in their retirement. This fund, set aside to provide for the sisters in their retirement, none of whom have resources of their own, was re-assessed during the year. The calculations indicated that in excess of £20 million would be needed to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. At 31 March 2025 £14.5 million had been set aside for this purpose as there are insufficient funds available to provide the full amount needed.

The care home fund totalled £504,053 (2024 - £228,198). These funds have increased due to the increase in fee paying residents along with fee increases to meet care needs. The charity continues to support Marian House with contributions from the charity towards the cost of caring for sisters.

The programme related fund at £5,661,846 (2024 - £5,661,846) represented the book value of those freehold properties occupied by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives.

The tangible fixed assets fund totalled £4,146,655 (2024 - £4,287,545) and was represented by those tangible fixed assets not financed out of restricted funds or included under the home fund.

Funds which were available to support the work of the sisters in the future i.e. the general funds totalled £1,423,113 (2024 - £1,706,199) and fell within the parameters of the charity's reserves policy.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation and to secure a good skills mix among them. Each community is governed by a Superior Leader or Council with shared responsibility. The Congregational Leader or her delegate is required to visit each community at least once every two years and there is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the sisters of the Congregation.

Report of the trustees Year to 31 March 2025

In terms of Civil law, the charity is governed by a Constitution dated 4 September 2018 and is a registered charity, Charity Registration No. 11798804. The trustees of the charity are also the members of the Leadership Team (apart from the Congregational Treasurer). As all trustees are members of the Congregation they have a detailed knowledge of the work which the charity carries out and of its structure. On being appointed, new trustees will spend some time with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisers in order to obtain a full briefing of their responsibilities and the charity's position and attend appropriate study days.

According to the Constitution the number of trustees shall not fall below five. The trustees are – The Congregational Leader, three Team Members and the Congregational Treasurer.

During the year all or some of the trustees and senior staff attended:

- ◆ The Association of Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Religious Life Safeguarding Service (RLSS) training courses
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Formation courses and programmes with a view to capacity building within the Congregation and charity
- ◆ Trustee training sessions put on by:
 - ◇ The Charity Commission
 - ◇ Buzzacott Audit LLP
 - ◇ Stone King LLP
 - ◇ Sarasin & Partners LLP
 - ◇ PIB Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Elizabeth Dawson

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, Chigwell, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

Report of the trustees Year to 31 March 2025

After completing her term of office in August 2014 Sr Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters..

In March 2022 she was appointed Congregational Treasurer and returned to live in the Chigwell Community.

Sister Mary Dargie

Sister Mary Dargie entered the Congregation in 1997. She trained in Nursery/Infant and Special Education at Digby Stuart College, Roehampton from 1972 – 1975. During her teaching career, before entering the Congregation in 1997, Sr. Mary Dargie taught Reception aged children in a Mainstream Primary School; children from Itinerant families in Ireland; Primary and Senior students in 2 Special Schools; and young adults with learning and physical disabilities in a Residential Home. Since entering the Congregation Sister Mary Dargie has set up a Pre-School in Zambia; set up a Physiotherapy and Occupational Therapy Centre in The Philippines and has had a limited experience of the work the Sisters undertake in El Salvador. On returning to the UK Sister Mary Dargie administered a Parish in Sheffield prior to setting up the Congregation's House of Prayer in North Wales in 2010 where she was in post at the time of her election to be Assistant Congregational Leader at the General Chapter 2021.

Sister Elizabeth Mooney

Sister Elizabeth entered the Congregation in 1969. Previously she had worked as a bookkeeper with Fayle & Co, Birr for three years after completing a one year commercial course.

After finishing the noviciate, Sister Elizabeth undertook her Registered Nurse training at Wigan Infirmary and was then assigned to St Winifred's Hospital, Cardiff, for seven years before doing Midwifery training at Our Lady of Lourdes Hospital, Drogheda, Ireland. Sister Elizabeth spent one year in South Uist, Daliburgh Hospital, before being assigned to Sacred Heart Hospital Cork where she worked as Midwife in charge until being asked to go to Zambia, Chilonga Mission Hospital. After four years in Chilonga Sister Elizabeth was asked to move to Ndola, Zambia, as co-ordinator of the Home Based Programme where she stayed for fifteen years. In 2008 she was transferred to Lusaka, Zambia, where she was involved in administration work for the Congregation and Zambia Association of Sisterhoods. Sister Elizabeth was appointed to the Congregational Leadership at the Chapter in 2021.

Sister Mwalula Yvonne Mwila

Sister Yvonne entered the Congregation in 1997 after completing her secondary education. During her second year of the Novitiate, she did some studies in NVQ (Further and Adult Education Teacher's Certificate Stage one and two and Certificate in Learning Support (Classroom assistant) at Uxbridge College from 2000 to 2001. After making her first Vows she was missioned to El Salvador, where she continued with her studies at the University of Central America and obtained a Diploma in Special Education.

She worked in El Salvador for 5 years. While in El Salvador, she helped to set up a Special Needs Unit in a local school. Sister Yvonne returned to Zambia in 2006 and went to college

to study and obtained a Certificate in Primary Education and St. Charles Lwanga Teacher Training College.

Having completed her training, she was missioned to 'Mbala – Zambia to work in the SSHJM -Households In Distress (HID) Programme an HIV and AIDS Prevention and Management Project where she worked as an Orphan and Vulnerable Children (OVC) Education Coordinator. Yvonne was employed by the government after one year to teach in the special school in 'Mbala.

While in 'Mbala, she pursued her Bachelor of Science in Project Management – BScPM in 2012. She continued working in the SSHJM -HID Programme and in the government school. As an OVC Education Coordinator, she set up a Chele Community School, now a Primary school and Victor Braun Special School. She holds Post Graduate Diplomas in Monitoring and Evaluation and An International Postgraduate Diploma in Management Studies and in 2014, she gained her MA in Business Administration. She has been running the SSHJM -HID Programme as a Country Representative for the past 6 years and was Director for Bauleni Special Needs Project for 4 years.

Sister Yvonne was elected as one of the Councillors at the Chapter in 2021, prior to her election as Councillor she was the Unit Leader for 7 years in Zambia and Country representative/Director for the two Projects in Zambia.

Sister Julie Rose

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Field Heath Special School, Hillingdon. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of our 2 special schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the manager of the Care Home comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation 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 or key management.

In the case of the manager of the Care Home and the nurses and therapists at Marian House, the rates of pay are in line with the relevant post on the NHS Whitley Council scales. In view of the nature of the needs of the Care Home and the national shortage of nurses and care staff, the trustees pay slightly above the pay rate for comparable jobs in similar charitable nursing homes in the immediate locality.

Structure and management reporting

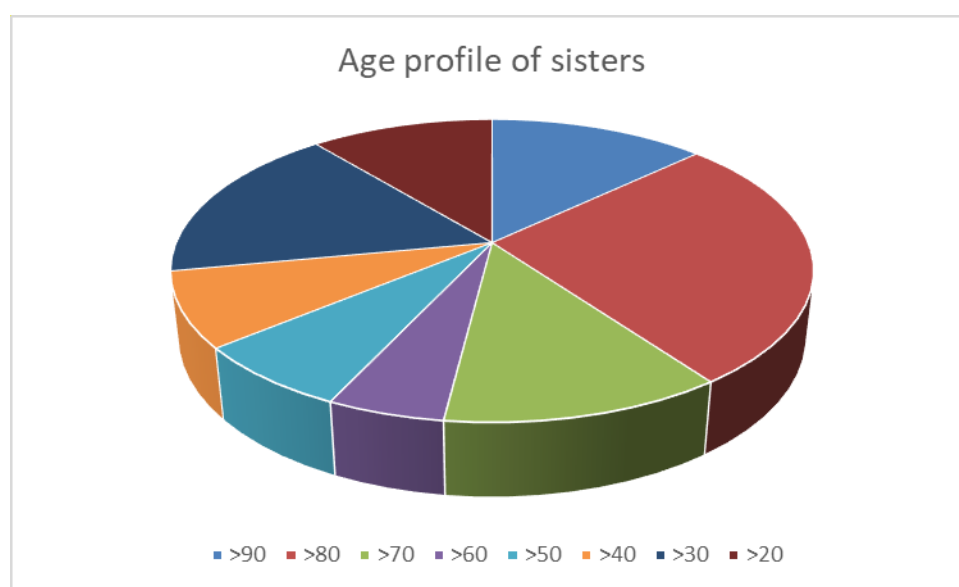
The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

During the year, the charity supported directly and indirectly 84 professed sisters and 16 temporarily professed sisters and 6 novices.

These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, two in the Philippines, one in El Salvador and one in California. Of the other communities there are six in the south of England and three in Midlands/Northern England, two in Scotland and one in North Wales.

Pastoral care is within the reach of most of the sisters even those who are quite advanced in years. For those who are more able, the work involves home visitation for those who are housebound and lonely. Hospital visitation is another area where a number of sisters are actively involved.

The age range of sisters is as follows:



The age range is no different from that of the rest of society. People are living and working longer than they did previously. The age of the sisters is predominantly between 70-90 years.

In addition to the convents as described in detail above, the charity operates the following in the United Kingdom:

- ♦ A Care Home.
Marian House is a Care Home which caters for our own elderly and infirm members and female members of the public. It is managed by a qualified and experienced manager. Trustees visit regularly and receive reports regarding all the aspects of the home.
- ♦ One facility for Prayer and Retreats
St Augustine's House of Prayer in Colwyn Bay, north Wales.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ♦ Roman Catholic Dioceses of Westminster, Brentwood, Southwark, Wrexham, Liverpool and Hallam; also with the Bishops in the diocese in the areas where we work overseas;
- ♦ Local Authorities where convents are situated;
- ♦ National Justice and Peace Network;
- ♦ Africa-Europe Faith and Justice Network;
- ♦ Religious Orders in Education;
- ♦ National Association of Special Schools;
- ♦ RENATE, an inter-European network for the prevention of trafficking of people;
- ♦ APT – Act to Prevent Trafficking;
- ♦ TRAC;
- ♦ The Romero Trust;
- ♦ RLSS, CSSA and “Network” safeguarding group of religious Congregations;
- ♦ The Medaille Trust

Public benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“Only two things matter, Jesus Christ and the poor”

The following are the main areas in which the charity has provided public benefit:

- ♦ Social and pastoral ministries
The Sisters have worked with the poorest of people, often in the poorest of conditions, for over 100 years. Despite our increasing collective age, many sisters continue to provide both spiritual and practical assistance to those in need. Much of the pastoral work is carried out in areas where it is hoped the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived and in desperate need of the care and pastoral work carried out by the Sisters.

Report of the trustees Year to 31 March 2025

- ◆ Overseas outreach

The charity has supported the Sisters' projects in, The Philippines, Uganda and Zambia. The services provided range from education of children with special needs; home based education and care for those who are too disabled to travel to school or who live too far from the schools; hostel provision for abandoned elderly and children with special needs; home based care for people with HIV; skills training and development as well as income generating projects; feeding projects for the poor and mal-nourished children who live in very over-crowded areas and care of the environment.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charity currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The trustees have identified the following five main areas of risk which may impact on the charity.

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavours to lead by example so that it can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ As seen in our age profile, the age of our members is 70 to 90 years. While the majority of the sisters are in the upper age bracket, we do have a growing number of younger and newer members in our various overseas mission countries.
- ◆ We have engaged lay members of staff who are aware of our ethos.
- ◆ Elderly sisters who are currently doing voluntary pastoral work in parishes are encouraged to go gently and not take on more than they are able to do. Our motto in this regard is 'sisters are valued for who they are not for what they do' as some tend to feel guilty if they are not 'contributing'.
- ◆ One of the biggest risks we face here in the UK is the decrease in the number of younger women joining our Congregation. However, we have 6 young women in the early stages of formation for Religious Life in Zambia, Uganda and the Philippines.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. Our overseas missions have safeguarding procedures in place, in line with our policies and in keeping with their local Church policies and the safeguarding legislation of the countries in which they are located. We have a trustee who has comprehensive training in all matters pertaining to safeguarding and who is responsible for ensuring that the Safeguarding Officers in our missions have the requisite training to enable them to carry out their safeguarding roles effectively.

Financial

- ◆ We have a Finance Handbook along with a number of financial policies including a Sisters' personal budget policy, investment policy, pensions policy, property policy and an anti-fraud, bribery and anti-corruption policy.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the communities should there be any occasion that the Congregation, or the charity, is the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in our Care Home highest quality of care is provided in a safe environment training sessions are encouraged and regularly provided to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ The Care Quality Commission makes regular announced and unannounced visits to Marian House Care Home at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2025 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the Congregation during the year to 31 March 2025. To include the reports from the various ministries would make an unwieldy document so a selection are highlighted in this paper. They do, however, make interesting reading and give the trustees a reassurance that the funds of the charity are used wisely and effectively for the benefit of the poor and marginalised. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2025.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Julie Rose
Trustee

Approved by the trustees on:
11th December 2025

Independent auditor's report to the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Accounts, including the trustees' report, other than the accounts and our auditors 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.

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; 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 pages 24, 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.

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 identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 UK and Republic of Ireland (FRS 102), and the Charities Act 2011; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

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

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

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 Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2025

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

Statement of financial activities Year to 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Income from:							
Donations and legacies	1	1,012,394	29,046	1,041,440	3,203,961	87,266	3,291,227
Investments and interest receivable	2	642,233	—	642,233	729,677	—	729,677
Charitable activities							
. Provision of care	3	899,329	—	899,329	656,931	—	656,931
. Prayer and retreat ministry	3	43,358	—	43,358	43,468	—	43,468
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	11,213	—	11,213	11,241	—	11,241
. Miscellaneous income	4	15,335	—	15,335	25,477	—	25,477
Total income		2,623,862	29,046	2,652,908	4,670,755	87,266	4,758,021
Expenditure on:							
Raising funds							
. Investment management fee rebates		(34,704)	—	(34,704)	(32,675)	—	(32,675)
. Costs associated with maintaining Programme Related Investments		299,708	—	299,708	23,240	—	23,240
Charitable activities							
. Charitable donations and support of missionary work	5	2,167,244	28,005	2,195,249	2,030,916	27,778	2,058,694
. Provision of care	6	1,263,388	551	1,263,939	1,072,179	—	1,072,179
. Support of the sisters and their ministry	7	1,697,197	—	1,697,197	1,613,527	—	1,613,527
Total expenditure		5,392,833	28,556	5,421,389	4,707,187	27,778	4,734,965
Net (expenditure) income before gains on investments	10	(2,768,971)	490	(2,768,481)	(36,432)	59,488	23,056
Net gains (losses) on investments	15	154,688	—	154,688	1,219,015	—	1,219,015
Net (expenditure) income and net movement in funds		(2,614,283)	490	(2,613,793)	1,182,583	59,488	1,242,071
Reconciliation of funds:							
Fund balances brought forward at 1 April 2024		28,917,697	87,060	29,004,757	27,735,114	27,572	27,762,686
Fund balances carried forward at 31 March 2025		26,303,414	87,550	26,390,964	28,917,697	87,060	29,004,757

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

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

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	14		4,246,145		4,344,670
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		15,091,293		16,701,513
			24,999,284		26,708,029
Current assets					
Debtors	16	210,792		181,547	
Cash at bank and in hand		1,387,083		2,249,760	
		1,597,875		2,431,307	
Liabilities:					
Creditors: amounts falling due within one year	17	(206,195)		(134,579)	
Net current assets			1,391,680		2,296,728
Total net assets			26,390,964		29,004,757
The funds of the charity					
Restricted funds	18		87,550		87,060
Unrestricted funds					
. Designated funds	19	20,733,646		22,923,953	
. Tangible fixed assets fund	20	4,146,655		4,287,545	
. General fund		1,423,113		1,706,199	
			26,303,414		28,917,697
			26,390,964		29,004,757

Approved by the trustees and signed on their behalf by:

Sister Julie Rose
Trustee

Approved on:
11 December 2025

Statement of cash flows Year to 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,166,286)	(409,420)
Cash flows from investing activities:			
Interest received		103,126	163,020
Programme related investment income		155,000	161,000
Income from listed investments		383,439	405,657
Purchase of tangible fixed assets		(114,964)	(161,010)
Proceeds from the disposal of tangible fixed assets		12,100	11,245
Purchase of investments		(1,502,445)	(34,207)
Proceeds from the disposal of investments		3,276,487	501,534
Net cash provided by investing activities		2,312,743	1,047,239
Change in cash and cash equivalents in the year		(853,543)	637,819
Cash and cash equivalents at 1 April 2024	B	2,249,930	1,612,111
Cash and cash equivalents at 31 March 2025	B	1,396,387	2,249,930

Notes to the statement of cash flows for the year to 31 March 2025.

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

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	(2,613,793)	1,242,071
Adjustments for:		
Depreciation charge	194,731	196,320
Gains on investments	(154,688)	(1,219,015)
Investment income and interest receivable	(641,565)	(729,677)
Net gains on disposal of tangible fixed assets	(11,213)	(11,241)
(Increase) decrease in debtors	(14,845)	157,229
Increase (decrease) in creditors	75,087	(45,107)
Net cash used in operating activities	(3,166,286)	(409,420)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	1,387,083	2,249,760
Cash held by investment managers	9,304	170
Total cash and cash equivalents	1,396,387	2,249,930

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

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 31 March 2025 with comparative information provided in respect to the year to 31 March 2024.

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

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

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

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments 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 a depreciation rate; and
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund.

Assessment of going concern

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

The current macroeconomic and geopolitical climate means that, undoubtedly, there will continue to be challenges ahead with rising prices and continuing volatility in world investment markets. However, the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Income from charitable activities comprises fees and related charges for the provision of care and fees and contributions received in respect to prayer and retreat ministry. Income derived from the levying of fees and charges for the provision of care services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income recognition (continued)

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

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

- ◆ Expenditure on raising funds comprises investment management fees and expenditure on maintaining those properties held as Programme related investments.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Charitable grants and donations, in the main, to support the charity's missionary work overseas and the support of Roman Catholic charitable organisations;

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Expenditure recognition (continued)

Grants 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 grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- ◇ Expenditure incurred in the provision of care to the frail and elderly at the charity's Care Home, including the costs of caring for the sick and elderly members of the Congregation therein;
- ◇ Direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

◆ Inalienable land and buildings

The charity owns a freehold property in Hambledon Surrey, which is leased to Orchard Hill College Academy Trust, which operates a non-maintained weekly boarding and day school for pupils of average intelligence but with special needs on the site.

The charity also owns freehold land in Sudbury, Suffolk, which is leased to St Joseph's Roman Catholic Primary School, a Catholic voluntary-aided school.

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the tenants, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

Tangible fixed assets (continued)

◆ Other freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost if purchased after 31 March 1996. Otherwise they are stated at a trustees' valuation made, with professional assistance, in 1996 and based on the then market value for existing use. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost.

Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the Congregation's care establishments and its large residential convents. Where acquired before 31 March 1996, they are stated at a valuation at that date made by the trustees with professional assistance. The basis of valuation is replacement cost for existing use less allowance for the condition of the buildings and any restrictions on their use and disposal. Structural and similar additions since 31 March 1996 are stated at cost. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost. With the exception of certain major building improvements, depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the charity.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five 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 each vehicle over its estimated useful life.

Fixed asset investments

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

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

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 comprise freehold properties used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 1 April 2010 and 1 April 2019 less any impairment provision. The upkeep of the properties is expensed as incurred, and their residual value is thought to be in excess of their carrying value. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Deposits for more than three months but less than one year are disclosed as short term deposits.

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 those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	928,015	—	928,015	1,000,763	—	1,000,763
Legacies	17,958	20,000	37,958	272,290	69,519	341,809
Donation from the Congregation in USA	21,242	—	21,242	—	—	—
Donation from the Congregation in Ireland	—	—	—	1,894,491	—	1,894,491
Other donations	45,179	9,046	54,225	36,417	17,747	54,164
Total funds	1,012,394	29,046	1,041,440	3,203,961	87,266	3,291,227

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Income from listed investments						
· Global equities	382,032	—	382,032	405,397	—	405,397
· Cash instruments	1,407	—	1,407	260	—	260
	383,439	—	383,439	405,657	—	405,657
Interest receivable						
· Bank interest	102,416	—	102,416	162,309	—	162,309
· Interest on cash held by investment managers	1,378	—	1,378	711	—	711
	103,794	—	103,794	163,020	—	163,020
Income from programme related investments	155,000	—	155,000	161,000	—	161,000
Total funds	642,233	—	642,233	729,677	—	729,677

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Provision of care:						
Care home fees	899,329	—	899,329	656,931	—	656,931
	899,329	—	899,329	656,931	—	656,931
	Unrestricted funds £	Restricted funds £	Total fund 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Prayer and retreat ministry:						
Contributions received	43,358	—	43,358	43,468	—	43,468

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Surplus on the disposal of other tangible fixed assets:						
· Furniture, equipment and motor vehicles	11,213	—	11,213	11,241	—	11,241
Other miscellaneous income	15,335	—	15,335	25,477	—	25,477
Total funds	26,548	—	26,548	36,718	—	36,718

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Missionary work of the Congregation abroad	623,692	26,175	649,867	686,250	26,918	713,168
Donation to the Congregation in Ireland	1,514,210	—	1,514,210	1,293,869	—	1,293,869
Donations and grants to other organisations (see below)	26,511	—	26,511	47,600	—	47,600
Donations and grants to individuals	2,831	1,830	4,661	3,197	860	4,057
Total funds	2,167,244	28,005	2,195,249	2,030,916	27,778	2,058,694

During the year donations and grants were made to 27 (2024 - 43) individuals.

Grants and donations paid to other organisations comprised:

	2025 £	2024 £
Harmony House Dagenham CIO (see note 24)	1,399	32,623
Irenaeus Project	—	2,000
Pield Heath School	14,750	—
Misean Cara	8,302	8,505
Federation of the Sisters of the Sacred Hearts of Jesus and Mary	—	3,472
Jesuit Refugee Service	2,000	—
The Catholic Trust for England and Wales	—	1,000
Grants and donations of less than £1,000	60	—
	26,511	47,600

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Provision of care	1,009,590	551	1,010,141	897,680	—	897,680
Depreciation of buildings	25,835	—	25,835	25,835	—	25,835
Management of the Home	183,254	—	183,254	126,010	—	126,010
Allocation of support costs (note 8)	44,709	—	44,709	22,654	—	22,654
Total funds	1,263,388	551	1,263,939	1,072,179	—	1,072,179

7 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Also included here is expenditure relating to the prayer and retreat centre, St Augustine's Priory. It is not possible to separate out this expenditure as it is integrated with the work of the sisters and their ministry. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Staff costs	504,474	—	504,474	529,094	—	529,094
Premises costs	643,189	—	643,189	583,935	—	583,935
Sisters' personal and living expenses	372,107	—	372,107	348,196	—	348,196
Education, training and spiritual renewal	37,577	—	37,577	47,716	—	47,716
Sisters' ministries	28,155	—	28,155	22,450	—	22,450
Allocation of support costs (note 8)	111,695	—	111,695	82,136	—	82,136
Total funds	1,697,197	—	1,697,197	1,613,527	—	1,613,527

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2025 £	Basis of apportionment
Legal and professional fees	42,609	47,609	90,218	Pro rata expenditure
Governance costs (note 9)	2,100	36,072	38,172	Pro rata expenditure
Miscellaneous expenditure	—	28,014	28,014	Pro rata expenditure
	44,709	111,695	156,404	

	Provision of care £	Support of sisters and their ministry £	Total 2024 £	Basis of apportionment
Legal and professional fees	21,039	29,848	50,887	Pro rata expenditure
Governance costs (note 9)	1,615	30,695	32,310	Pro rata expenditure
Miscellaneous expenditure	—	21,593	21,593	Pro rata expenditure
	22,654	82,136	104,790	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Auditor's remuneration	38,172	—	38,172	32,310	—	32,310

10 Net income (expenditure before gains (losses) on investments

This is stated after charging:

	Total 2025 £	Total 2024 £
Staff costs (note 11)	1,322,800	1,259,794
Auditor's remuneration:		
. Statutory audit – overall accounts	33,900	32,310
. Non-audit services – Consultancy and miscellaneous advice	4,272	—
Depreciation	194,731	196,320
Operating lease rentals	6,119	7,957

11 Staff costs and remuneration of key management

	2025 £	2024 £
Staff costs during the year were as follows:		
Wages and salaries	1,180,372	1,127,544
Social security costs	102,049	91,258
Other pension costs	37,683	35,962
	1,320,104	1,254,764
Payments to agency staff	765	3,750
Redundancy	275	—
Apprenticeship levy	1,656	1,280
	1,322,800	1,259,794

Payments to agency staff reflect the cost of agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2025 £	2024 £
Staff costs per function were as follows:		
Provision of care	818,326	730,700
Support of the sisters and their ministry	504,474	529,094
	1,322,800	1,259,794

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2024 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,500 (2024 - £3,250).

The average number of employees, analysed by function, was:

	2025 No.	2024 No.
Provision of care	32	33
Support of sisters and their ministry	22	23
	54	56

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 and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2024 - none).

11 Staff costs and remuneration of key management (continued)

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £65,609 (2024 - £51,810). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

12 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees.

As members of the Congregation, 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 £120,192 (2024 - £161,798). The 2024 figure included a tax rebate for 2 sisters on pensions received in earlier years.

13 Taxation

The Sisters of the Sacred Hearts of Jesus and Mary CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2024	925,533	7,853,392	174,628	369,764	9,323,317
Additions	—	63,818	9,993	23,282	97,093
Disposals	—	—	(7,771)	(53,360)	(61,131)
At 31 March 2025	925,533	7,917,210	176,850	339,686	9,359,279
At cost	852,206	2,551,569	176,850	339,686	3,920,311
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,917,210	176,850	339,686	9,359,279
Depreciation					
At 1 April 2024	—	4,568,612	110,157	299,878	4,978,647
Charge for the year	—	142,221	19,427	33,083	194,731
On disposals	—	—	(7,771)	(52,473)	(60,244)
At 31 March 2025	—	4,710,833	121,813	280,488	5,113,134
Net book values					
At 31 March 2025	925,533	3,206,377	55,037	59,198	4,246,145
At 31 March 2024	925,533	3,284,780	64,471	69,886	4,344,670

The historical cost of freehold land and properties included above at a valuation cannot be ascertained with accuracy.

14 Tangible fixed assets (continued)

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

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 the 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.

15 Investments

At 31 March 2025 fixed asset investments comprised:

	2025 £	2024 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	15,091,293	16,701,513
	20,753,139	22,363,359

a. Programme related investment properties

During the year, the charity owned three properties which were not used directly by the charity but were used by other not-for-profit organisations for purposes consistent with the charity's objectives.

The properties included as programme related investments comprised:

	2025 £	2024 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

This property was valued by the trustees with professional assistance during 2015 on an open market value. Whilst rent was received during the year, no formal rental agreement was in place and the rent was below market rate.

Harmony House Dagenham is a CIO in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 24.

St John's RC School Chigwell and Pield Heath House School Uxbridge

These properties are occupied by the Sacred Hearts Sisters 1983 Charitable Fund. A license to occupy and pay an annual rental has been agreed. Further details are given in note 23.

15 Investments (continued)**b. Listed investments and cash held for reinvestment**

	2025 £	2024 £
Listed investments		
Market value at 1 April 2024	16,701,343	15,949,655
Additions at cost	1,502,445	34,207
Disposals at book value (proceeds: £3,276,487; realised gains: £54,003)	(3,222,484)	(495,846)
Net unrealised investment gains	100,685	1,213,327
Market value at 31 March 2025	15,081,989	16,701,343
 Cash held by investment managers for reinvestment	 9,304	 170
Listed investments at 31 March 2025	15,091,293	16,701,513
 Cost of listed investments at 31 March 2025	 12,631,878	 14,055,761

Listed investments held at 31 March 2025, all of which were dealt in on a recognised stock exchange, comprised the following:

	2025 £	2024 £
Global equity based common investment funds	14,452,426	16,087,155
Cash instruments	629,563	614,188
	15,081,989	16,701,343

Included in the investment portfolio were the following individual holdings which, at 31 March 2023 immediately prior to transfer to the newly formed CIO, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Climate Active Endowment Funds	14,452,426	95.8%	16,087,155	96.3%
Sarasin Sterling Liquidity Fund	629,563	4.2%	614,188	3.7%

16 Debtors

	2025 £	2024 £
Care fees and charges	121,314	82,870
Prepayments and accrued income	76,129	30,171
Other debtors	13,349	68,506
	210,792	181,547

Prepayments include £23,112 in professional fees paid in relation to the early stages of the planned sale of a large property (2024 - £nil).

Other debtors in 2024 included £50,063 being a lump sum pension receivable from a member of the Congregation as at 31 March 2024 under Gift Aid/deed of covenant (current year - £nil).

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Social security and other taxes	14,216	11,865
Accruals and deferred income	52,092	54,071
Other creditors	139,887	68,643
	206,195	134,579

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2024 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2025 £
Overseas Missions fund	87,060	27,971	(28,005)	—	87,026
Marian House Donation	—	1,075	(551)	—	524
	87,060	29,046	(28,556)	—	87,550

	At 1 April 2023 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2024 £
Overseas Missions fund	27,572	87,266	(27,778)	—	87,060

The specific purposes for which the funds are to be applied are as follows:

♦ Overseas Missions fund

This fund consists of donations and legacies specifically given to the charity to assist its overseas missionary work.

19 Designated funds

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2024	33,909	17,000,000	228,198	5,661,846	22,923,953
Movements in the year	33,838	(2,500,000)	275,855	—	(2,190,307)
At 31 March 2025	67,747	14,500,000	504,053	5,661,846	20,733,646

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2023	22,999	16,000,000	8,918	5,661,846	21,693,763
Movements in the year	10,910	1,000,000	219,280	—	1,230,190
At 31 March 2024	33,909	17,000,000	228,198	5,661,846	22,923,953

19 Designated funds (continued)

- ◆ Donations and mission fund
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ SSHJM Congregational fund
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations indicate that in excess of £20 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £14.5 million was set aside for this purpose as there are insufficient funds to provide the full amount.
- ◆ Home fund
This fund represents the accumulated funds and net current assets of the charity's residential and Care Home together with monies designated by the trustees for use by the home.
- ◆ Programme related investment fund
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2025 £	Total 2024 £
At 1 April 2024	4,287,545	4,352,009
Movements in the year	(140,890)	(64,464)
At 31 March 2025	4,146,655	4,287,545

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the home fund. A decision was made to separate this fund from the other funds 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 would be realisable with ease, in order to meet future contingencies.

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2025 £
Fund balances at 31 March 2025 are represented by:					
Tangible fixed assets	—	4,146,655	99,490	—	4,246,145
Investments	—	—	20,753,139	—	20,753,139
Net current assets	1,423,113	—	(118,983)	87,550	1,391,680
Total net assets	1,423,113	4,146,655	20,733,646	87,550	
Unrealised gains included above on investments (see below)	—	—	2,450,110	—	2,450,110
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2024	—	—	2,645,582	—	2,645,582
Less: Amount in respect to disposals in year	—	—	(296,157)	—	(296,157)
Less: Net losses arising on revaluation in year	—	—	100,685	—	100,685
Unrealised gains at 31 March 2025	—	—	2,450,110	—	2,450,110
	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2024 £
Fund balances at 31 March 2024 are represented by:					
Tangible fixed assets	—	4,287,545	57,125	—	4,344,670
Investments	—	—	22,363,359	—	22,363,359
Net current assets	1,706,199	—	503,469	87,060	2,296,728
Total net assets	1,706,199	4,287,545	22,923,953	87,060	29,004,757
Unrealised gains included above on investments (see below)	—	—	2,664,915	—	2,664,915
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2023	—	—	1,441,922	—	1,441,922
Less: Amount in respect to disposals in year	—	—	(9,667)	—	(9,667)
Less: Net losses arising on revaluation in year	—	—	1,213,327	—	1,213,327
Unrealised gains at 31 March 2024	—	—	2,645,582	—	2,645,582

The historical cost of a number of the charity's tangible fixed assets cannot be quantified accurately due to their age. The trustees consider that the cost of ascertaining such historical costs would be out of proportion to the benefits to the charity. It is not possible, therefore, to quantify accurately the total unrealised gains included within tangible fixed assets.

22 Operating lease commitments

At 31 March 2025, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2025 £	2024 £
Operating lease payments due:		
. Within one year	4,923	6,958
. One to two years	3,481	4,923
. Two to five years	1,035	4,231
	9,439	16,112

23 Related party transactions

Two of the trustees of the charity are also trustees of The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418).

During the year, the CIO donated £1,514,210 (2024 - £1,293,869) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £nil (2024 - £ 1,894,491) which related to the proceeds from the sale of land.

Two of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, the Charitable fund paid the CIO £6,959 (2024 - £6,884) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The CIO paid amounts totalling £54,719 to The Trust during the year, which comprised donations and contributions towards staff that help in a convent and convent costs that cannot be separated (2024 - £49,031). The Charitable Fund paid the CIO £145,000 (2024 - £151,000) in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund.

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2024 - none).

24 Other connected entities

- ♦ Harmony House Dagenham CIO (Charity No 1198573 (England and Wales))
Harmony House CIO (charity number 1198573 as of April 2022) was originally established in 1993 in response to the needs of refugees and asylum seekers in Barking and Dagenham as part of the work of The Sisters of the Sacred Hearts of Jesus and Mary. As the numbers and needs of asylum seekers diminished, Harmony House adapted and channelled resources into meeting the needs of the local community when it was registered as a Community Interest Company in 2009. Harmony House continued to be governed by members of the Sisters of the Sacred Hearts of Jesus and Mary from 2009 until it transitioned to a Charitable Incorporated Organisation in April 2022. At this point, new trustees were appointed, and, while they were Sisters of the Congregation, only one of them was also a trustee of the Sisters of the Sacred Hearts of Jesus and Mary CIO. The trustee in question resigned from her trusteeship of Harmony House CIO on 31st October 2024.

24 Other connected entities (continued)

Harmony House is independent in its management and operation. However, the Harmony House CIO constitution requires the Sisters of the Sacred Hearts of Jesus and Mary CIO to appoint the Harmony House CIO nominated trustees, and they have recently appointed four lay individuals as trustees, meaning that the Sisters of the Congregation no longer form the majority on the Harmony House Board of Trustees. Given the declining numbers and age profile of the Congregation's UK-based Sisters, it will not be practicable over the course of the next few years to have the Congregation responsible in any way for the governance of Harmony House, and so, the Trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO have decided that the Harmony House constitution will be amended to remove the need for their CIO to appoint the Harmony House CIO trustees, this was amended following the year end on 13th May 2025.

The registered office occupied by Harmony House at Baden Powell Close, Dagenham is owned by the Sisters for the Sacred Hearts of Jesus and Mary CIO and is recorded in these accounts as a Programme related investment, it is leased for a rental of £10,000 per annum.

The charity made a donation to Harmony House CIO of £1,399 (2024 - £32,623) during the year.

25 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the 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.

Accounts

Sisters of the Sacred Hearts of Jesus and Mary CIO

Annual Report and Accounts

31 March 2024

Charity Registration Number
1179804

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

Trustees	Sister Julie Rose Sister Mary Dargie Sister Elizabeth Mooney Sr Mwalula Yvonne Mwila Sr Elizabeth Dawson
The Superior General	Sister Julie Rose
The Canonical Secretary	Sister Kathleen Corbett
The Congregational Treasurer	Sister Elizabeth Dawson
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	1179804
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU

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

Solicitors Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

Insurance Brokers PIB Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

Report of the trustees Year to 31 March 2024

The trustees present their report together with the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the “charity”) for the year ended 31 March 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 38 to 44 and comply with the charity’s constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 101 (105 - 2023) sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The Sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

*“Joyful co-creators sharing God’s unconditional love in our wounded
world”*

*“We, the Sisters of the Sacred Hearts of Jesus and Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God.”*

The accounts accompanying this report are the accounts of the charity through which certain of the net assets of the Congregation in England, Wales and Scotland are administered.

Mission

The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ Health (including caring for members of the Congregation)
- ◆ Education (including education of our own sisters and education within our overseas outreach)
- ◆ Pastoral ministry
- ◆ Overseas outreach

Activities, achievements, specific objectives and relevant policies

Health

The Sisters of the Sacred Hearts of Jesus and Mary CIO operates one Care Home in the United Kingdom.

Marian House Care Home

Marian House Care Home provides care primarily for elderly sisters and some members of the public and is administered in accordance with the charitable objects of The Sisters of the Sacred Hearts of Jesus and Mary CIO, as specified in the constitution.

The trustees consider that they together with the Care Manager of the Home comprise the key management of the Home in charge of directing and controlling, running and operating the Home on a day to day basis.

Marian House, a sanctuary of care and compassion nestled in the heart of Uxbridge. This is not just a care home, but a mission of the sisters of the Sacred Hearts of Jesus and Mary, dedicated to providing a nurturing environment for retired religious sisters and elderly women.

Our location is not just convenient, but also vibrant, being close to social amenities, the renowned Hillingdon Hospital, and the responsive Hillingdon Fire Service. But it's not just about the location, it's about the community we've built here.

At Marian House, our residents are not just inhabitants, but integral members of an empowering Christian community. Here, every individual leads a rich quality of life in an environment that is safe, professional, and dignified, yet feels just like home. Our aim is to provide the highest quality of care, always respecting the rights and choices of every individual.

The layout of Marian House is designed to be welcoming, offering a stunning view of a vast garden, complete with an age-old fish pond. This is a place where nature meets care, offering tranquility and a connection with the outdoors. Our chapel, a spiritual haven for our residents, continues to uphold their faith with daily morning Mass and evening prayers, ensuring their spiritual well-being.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

The building itself is thoughtfully divided into the first floor, St Joseph, and the second floor, St Anne, St France, and St Mary. With a total of 26 beds for care home, we are a CQC registered care home, ensuring professional standards of care.

Safety is not just a priority, but a commitment at Marian House. We adhere to all legislative requirements and operate a 24-hour CCTV system, ensuring peace of mind for our residents and their families.

The Care Home is led by a Registered Manager, supported by one Team Leader. The Care Home also employs Senior Care Workers, Level 2 Carers, an Administrator, a Finance Officer, a kitchen supervisor, Laundry and Domestic Staff, a full-time Caretaker, Cook, an Assistant Chef, and Kitchen Assistants. The Registered Manager reports to Sr. Elizabeth Mooney, the representative of the Congregation Trustees. The Team Leaders, Administrator, Finance Officer, Caretaker, and Chef/Cook report to the Registered Manager. All Senior Carers and Level 2 Carers report to the Team Leader and Senior Carers. The Registered Provider offers further advice or guidance on any issues related to the Care Home.

Marian House works in partnership with the London Borough of Hillingdon. Four of the service users are currently funded by the local authority. The Care Home also collaborates closely with local NHS hospitals and healthcare services, which provide additional support and advice on the service users' care and wellbeing, as well as staff training as needed. The Care Home has a community care home service team appointed by Hillingdon, which visits the home as needed and offers support under the Care Home Support Programme, aiming to reduce hospital admissions.

Marian House is also regulated and inspected by the Care Quality Commission (CQC), which ensures that the Home complies with all current legislation and that service users receive dignified, respectful, and person-centred care in a safe environment. The CQC also provides advice and guidance to the Home when needed.

The Home underwent an unannounced inspection by Hillingdon Quality Assurance on December 4th, 5th, and 6th 2023. During this inspection, all five domains were assessed, resulting in ratings of 2 Outstanding and 3 Good. Hillingdon Quality Assurance (QA) is responsible for overseeing the provision of care and supporting the Home, they also work in partnership with the Care Quality Commission.

This year, Marian House has achieved remarkable success, setting new standards in care and well-being for our sisters and residents. We have triumphantly reopened more rooms, now boasting 26 beds registered with the CQC, providing a nurturing religious environment for those who wish to practice their faith. At Marian House, we have established an effective system and structure that has revolutionised the care we provide.

Our dedicated staff at Marian House have worked tirelessly with great care and compassion, ensuring that all sisters and residents receive individualised, person-centred care. This commitment has helped us achieve two Outstanding ratings during the QA unannounced in-site inspection.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

One of our significant achievements this year is the full restoration of the Marian House lift, which had been inconsistent for years. Additionally, we have upgraded our nursing call system, which had been in use for the past 25 years. The new model supports advanced features that help mitigate risks for our sisters and residents.

In compliance with current data protection legislation, Marian House has also installed a new internet and Wi-Fi system. This upgrade helps protect the information of our sisters, residents, staff, and congregation from GDPR breaches.

We have made a significant effort to support our staff's professional development by enrolling them in NVQ courses and care certificate programs. As a result, many of our staff have achieved NVQ Level 3 in care, while others have earned a Level 2 care certificate. This has had a positive impact on the quality of care we provide to our sisters and residents.

This year, we have invested in activities that stimulate and engage our sisters and residents. We have arranged for a saxophonist to visit twice a month, an artist twice a month, a pianist once a month, and regular movie afternoons. Our sisters and residents have also spent more time in the garden and summer house, where they can reminisce and share their stories together.

Some of our Sisters and residents enjoying the activities throughout the year:



Despite struggling to find a kitchen supervisor for over a year, which resulted in a loss of two stars in our last food and hygiene inspection, we have successfully hired a new kitchen supervisor. This individual has made significant and highlighted changes to the kitchen structure, greatly improving our services.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

This year, we took the time to assess the areas in need of decoration around the home, and we successfully transformed our reception area. Our newly revamped reception now offers a warm and welcoming atmosphere, leaving a positive impression on all family members, friends, and other visitors to the home. The fresh decor and inviting ambiance make everyone feel at home as soon as they step through the door.

Marian House has also received a high number of recommendations both locally and internationally. This positive word-of-mouth has enabled us to fill our vacant beds more easily compared to other care homes within the borough. Our reputation for providing exceptional care and a nurturing environment has spread far and wide, attracting new residents and their families who are seeking the best possible care.

In summary, this year at Marian House has been one of remarkable success and achievement. We have made significant improvements to our facilities, enhanced the quality of care we provide, and strengthened our community ties. We are proud of our accomplishments and remain steadfast in our commitment to providing the highest level of care to our sisters and residents. Our dedicated staff, supportive families, and the broader community have all played a crucial role in these achievements, and we look forward to continuing this journey of excellence together.

Education

Over the last number of years, the trustees have put great emphasis on improving the academic qualifications and developing the leadership skills of our sisters throughout the world. This has involved a number of sisters upgrading their present qualifications in-country and travelling to other countries for Formation and Leadership training. Some sisters have gone to other countries in Africa and also come to the UK and to the Philippines to follow courses, and this has greatly benefitted the Congregation as a whole. We also support education as part of our overseas outreach work and this is highlighted under a separate heading below.

Activities, achievements, specific objectives and relevant policies (continued)

Here is a highlight from our Keeping In Touch Magazine article (September 2023) written by Sr Sylvia Mulenga Bwalya about completing her studies:-



On 1st September, 2023 I was among many other students who graduated at Zambia Institute of Special Education in Lusaka Zambia. Graduated in absentia with a Merit, I am now a confirmed Secondary Teacher of Special Education. It was not easy it can only be through the help of God that I succeeded . “The only disability in life is a bad attitude”. Students don’t care how much you know but they do know how much you care. My years of studies were not easy, for sure, especially the time when the world was fighting the Covid-19 pandemic and many things came to a stand-still. We students were unable to attend the residential parts of the course which meant that the course was much longer than initially expected .I would like to extend my gratitude to the current leadership and the former leadership team for the opportunity given to me to study and to all our Sisters for their prayers and support. I am very grateful to God for the grace of perseverance, and I wish you all God’s blessings.

Pastoral Ministry

Practically all of our ministries are pastoral in nature. The aims of the trustees in this area are to enable and encourage members of the Congregation to carry out much needed social and pastoral work within the local community. The objective being to motivate sisters to work and assist in any way the poor, elderly, sick and marginalised. Sadly, like many other religious congregations our age profile reflects that over two thirds of our Congregation are over seventy. However, the majority of sisters (even those in their 80’s) are still very active in the area of pastoral ministry, providing a very valuable service to those in need.

Many of our “retired” UK and Irish sisters continue to be involved in hospital and care home chaplaincy, school governorship (including schools other than our own), parish ministry which includes visiting hospices, hospitals, the sick and housebound, homeless centres and our own convents by continuing to care for less able retired sisters.

Activities, achievements, specific objectives and relevant policies (continued)

In other areas of ministry our sisters are involved with catechesis, teaching English as a second language to immigrants trying to get jobs or applying for citizenship in the UK/Ireland, organising prayer groups and supporting travelling people who are being discriminated against at every level of society. We also have a few sisters assisting in the administration of the charity, ensuring we are moving forward and adapting to change.

St Augustine's Priory House of Prayer



St Augustine's Priory House of Prayer, offers a quiet and peaceful space for those wishing to deepen their relationship with God, or who are seeking to become more aware of God's presence in their daily lives. All denominations and those of no faith are welcome who are looking for quiet days of rest and prayer amidst the busy-ness of everyday life. It offers residential and non-residential accommodation, for individuals, small parish-based groups or other Religious Congregations.

Throughout a normal year there is a busy calendar of events such as: Individually Guided Retreats; Private Retreats; Contemplative Retreats; Preached Retreats; Creative Retreats; Walking Retreats; Youth Retreat Days; Religious Congregations' Retreats; Congregational Regional Meetings and Parish Meetings. We also accommodate various Groups e.g. The Over-Eaters Anonymous Groups for weekend Retreats or Meetings.

Along with Retreats and Days of Prayer, St Augustine's also provides opportunities for the local community to use its facilities. In order to cover some of the costs of running St. Augustine's there is an invitation to give a Suggested Offering according to the type and length of a Retreat/Meeting or of how many rooms and other facilities are used. The Suggested Offerings are kept as low as possible in order to be affordable for those who would otherwise not be able to attend such Retreats. We offer these more affordable costs in line with our Vision and Mission Statement.

Justice and Peace

The Justice and Peace Centre continues to offer its IT expertise to the sisters and their helpers to produce materials needed for their ministry. Incorporated in the Justice and Peace Centre is a "communication hub" from which webinars are conducted so that members of the Congregation can stay connected with each other and through which they are encouraged to share ideas and experiences in their ministry.

Along with publishing the quarterly magazine "Keeping in Touch" which is available on our website, the Centre continues to assist in the development of the Sacred Heart Companions Programme. The Centre also supports the Romero Trust by printing their newsletter. The Romero Trust is a group supporting justice in El Salvador, which was an area we have been very involved in over the last few years.

Activities, achievements, specific objectives and relevant policies (continued)

Sacred Heart Companions

There have been some major changes in our Sacred Heart Companions Movement since March 2023. In the UK many of the original groups have now come to completion, the same is true in Ireland. The reason being the members have aged and are no longer able to meet in groups. We try to keep in touch with as many as possible by email and letters. We appreciate the great contribution they have made to the Companions over the years, these would include Herne Bay, Worksop and Roscrea.

The Chigwell group has gone from strength to strength! This is mainly due to the enthusiasm of Anita a very faithful companion. The group meet monthly, pray together and then socialise enjoying each other's company! They have fund raised for our Cebu Mission. Recently a Muslim lady asked to join the group, she prays with us and adds a richness to the group. It has to be said most members in Chigwell are younger and it is a cosmopolitan group!

Uganda - (Mukono, Pabo) these groups meet to share prayer and in addition support some of the work done with our special Needs Children.

Cebu - this would be a similar model where Companions support the mission especially in the area of special needs children

Zambia - (Mbala) meet monthly to pray and share. Some Companions also are involved on a voluntary basis visiting sick and disabled in Mbala.

El Salvador - Continue to have Holy Hours regularly for peace in their very violent country.

The Congregation appreciate that the Sacred Heart Companions are part of our extended family!

Victor Braun Federation

The Federation obtained pontifical right on 4 July 2003. The Victor Braun Federation comprises three Institutes which all stemmed from the same foundation by Father Peter Victor Braun in Paris 1866. Three Congregations (ourselves based in the UK, Soeurs Servantes du Sacré-Coeur de Jésus – France, and Dienerinnen des heiligsten Herzens Jesu – Austria) joined together to become the Federation. We meet regularly and our mission is supported through this link. All three Congregations share a desire to remain connected (hence the sharing of the Federation house in St Avoild). Even though we bring our own culture, personalities and our individual uniqueness, we are united by our founder Father Victor Braun.

Overseas Outreach

The charity supports the Sisters' ministries in the following countries: The Philippines, Uganda and Zambia and we have one Sister living and working in California working within health care and pastoral work for the local diocese and one sister living in El Salvador carrying out local ministry.

To include a report from each overseas mission country and our numerous projects within each country would result in a very lengthy document. Therefore, this year we are highlighting a sample of the work we have been involved in Chingola Zambia and some of our Disability Support and Water tank projects in Uganda.

Activities, achievements, specific objectives and relevant policies (continued)

Community Rehabilitation Centre (CBR) Chingola, Zambia

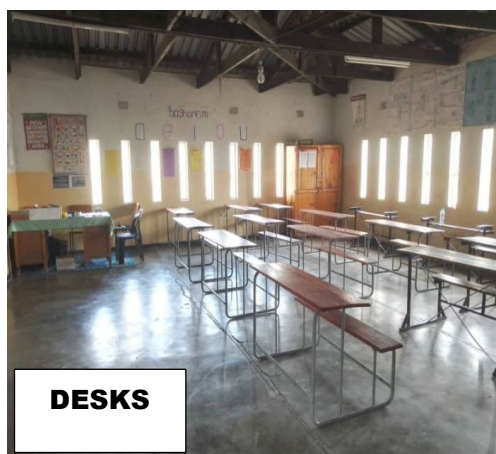
The Sisters of the Sacred Hearts of Jesus and Mary (SSHJM) provide inclusive rehabilitation services for vulnerable children in Chingola, Zambia. With the generous support of individual donors, the SSHJM have been able to make significant steps in addressing the needs of street children, orphans, and those with special needs through the Chitemwiko Community-Based Rehabilitation (CBR) Centre.

Education and Skills Development

We prioritise intensive training in literacy and life skills programmes. By equipping participants with essential reading and writing skills. SSHJM, facilitate the reintegration into government schools, for the children at the centre to foster a brighter future.

With funding received, the sisters were able to buy learning and teaching materials for the children. Now the teachers have books, toys and other learning materials which are being used by the children when they come to the centre.

We purchased new desks to improve the classroom environment for the children. These desks provide a comfortable and organized space for the children to focus on their studies, promoting a better learning experience. Before this, many children were forced to sit on the floor or use inadequate furniture, which made learning difficult.

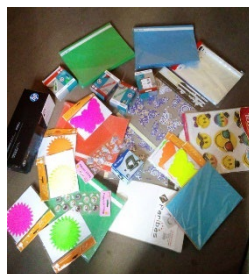


The new desks have made the classroom more conducive to learning, allowing the children to concentrate better and improve their academic performance. Having proper seating helps create a positive and encouraging atmosphere, which enhances Education.

Activities, achievements, specific objectives and relevant policies (continued)

Community Rehabilitation Centre (CBR) Chingola, Zambia (continued)

Education and Skills Development (continued)



Learning and teaching materials procured

We Purchased sewing Machines for vocational skills training, this activity is helping Children to learn basic skills.



By learning sewing skills, the older children are gaining practical abilities they can use to support themselves and their families. This helps reduce poverty, improve the economic stability of households, and ensure that children stay in school rather than dropping out due to financial constraints.

Feeding Programme

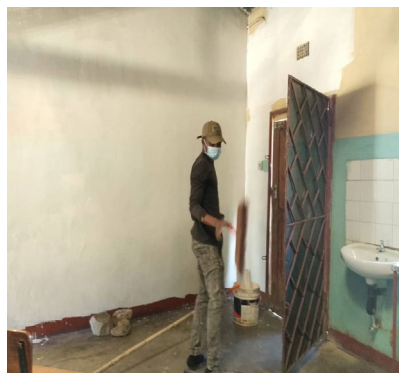
The feeding programme runs for 3 days in a week as most of these come from low-income households resulting in having one meal per day or going to bed without food at all. Under this activity, the sisters were able to feed 79 children per week. Most of these children are dropouts from schools and resort to being on the streets. Providing meals has helped these children to come out of the streets and from working in the mines.

A new fridge was purchased, and the kitchen was renovated to better support the meal program.

Activities, achievements, specific objectives and relevant policies (continued)

Community Rehabilitation Centre (CBR) Chingola, Zambia (continued)

Feeding Programme (continued)



The improved kitchen facilities and the fridge ensure that the children receive nutritious meals in a safe, clean environment. Proper food storage also reduces the risk of diseases, ensuring the children have healthy food, which is very important for their physical well being.

To further support our meal program, we purchased new kitchen utensils and secured additional food. Despite the rising costs of food, we ensured that the children continued to receive balanced meals, contributing to their overall well-being.



One of the volunteer parents preparing meals for the children

The children saying the Grace before meals.



Activities, achievements, specific objectives and relevant policies (continued)

Community Rehabilitation Centre (CBR) Chingola, Zambia (continued)

Feeding Programme (continued)

The feeding program has positively impacted the children such that, they are now able to spend most of their time at the centre instead of being on the streets. At the centre, the sisters are providing them with basic education, meals, and moral support.



Uganda – Disability support and water tank projects

With the generous support of individual donors and SSHJM funding, the sisters in Uganda have been able to assist those in need with supplying water tanks to improve the lives of those with special needs and their families.

Below is an extract from our funding reports in this area of work:

A new water tank was installed to help 9 year old James and his family. James was diagnosed with cerebral palsy whereby; he is not able to sit, stand, walk or even feed himself and literally his body nature is very stiff with seizures. He is currently on medication under our SSHJM Children In Need Programme (CHIN). His family lives In Nama Sub-county, Wakiso village, Bulika Parish and James is among the children who were identified by village health workers working with CHIN whereby a water tank would greatly improve the lives of James and his family.

James stays with his vulnerable parents who have 5 other children and due to the financial challenges, they are not able to access education. It was due to this challenge, that CHIN intervened and provided James' two old sisters with skills training in hairdressing and Tailoring respectively under Children In Need (CHIN) Vocational School for the unemployed youths and youths with disabilities.



Bukenya James of Wakiso village Nama SubCounty Mukono District

Activities, achievements, specific objectives and relevant policies (continued)

Uganda – Disability support and water tank projects (continued)

As of today, due to the help with the water tank his mother operates small food stuff stall at home where she is earning some little income to sustain her family as well as taking care of Bukunya James.

“I thank God for the gift of the water tank from Sacred Heart. I have been getting water from the well which is 25 minutes’ walk down the hill. So getting the tank has saved my family time to do other things at home and accessing clean water in our home”. Says Jane Bukunya.

Imran, a 6 year boy of Kakoola village, Katoogo parish, Nama sub-county loves with his grandmother with 16 other sibling and these include 10 grandchildren. He was abandoned by his parents at 2 years after he was diagnosed with Cerebral Palsy. This was noticed after him experiencing left hemiparesis (left side weakness of his body) and delayed global development mile stones (delayed seating, crawling, standing and walking). His disability made his body loose balance making it hard for him to perform everyday activities like eating or dressing. Imran was identified through CHIN’s Community Based Rehabilitation Programme of sensitizing communities about disability inclusion.



Katende Imuran of Kakoola Katoogo Nama Sub County

Imran was enrolled for Community Based Rehabilitation (CBR) programme in 2022 in order to receive CBR services. He has been seeing both the Physio and Occupational Therapist at least 4 days a week. His life has greatly changed because he can now perform some of the activities of daily living such as bathing, dressing, toileting, transferring or ambulating, and feeding himself.

When Imran’s grandmother received the support of a water tank, it was a great relief to her because the 3km distance between her home and water was no longer required. She had always struggled to get water for her kitchen garden which meant feeding the family was very difficult. With the water tank, watering of the vegetables is now very easy and this has provided constant vegetables for her household and they are able to be more self-sufficient and more time can be spent helping Imran.

Activities, achievements, specific objectives and relevant policies (continued)

Uganda – Disability support and water tank projects (continued)

Rebecca is 35 years old diagnosed with cerebral palsy living in a wheel chair in Lwanyonyi village, Namubiru parish, Nama sub-county. She has two daughters aged 10 and 4. The eldest goes to school with the help of an external helper and the youngest stays home to help with household chores. Due to her advocacy towards People With Disability (PWD) rights and freedom, she was appointed one of the local representatives of PWDs in her community. Rebecca has greatly helped the SSHJM CHIN Programme in the identification of Children With Disabilities who need immediate intervention in Namubiru Parish and her active participation is highly regarded.



Nalubega Rebecca of Lwanyonyi Village Nama Sub County Mukono District

Due to her nature of disability, it was always very hard for Rebecca to access clean water since her home is located on a hill. She is a single mother taking care of two daughters who cannot fetch much water from the distant water sources. Due to these issues Rebecca was recommended for a water tank to solve the water challenge so that she can access clean water and also have some income generating opportunity for her family.

"I am so grateful for the opportunity given to me by the Sisters of Sacred Hearts of Jesus and Mary. During periods of extreme water shortage, we had to walk to a nearby community two kms away to fetch water at Ug. Shs: 2,000per 20-litre Jerrycan but now I can fetch water from my tap any time I want", Rebecca Nalubega.

Activities, achievements, specific objectives and relevant policies (continued)

Uganda – Disability support and water tank projects (continued)

Below are a selection of photos of others in need that we have been able to help by providing a water tank:



Drip irrigation after water tank installed to help families with farming

Investment policy

The charity's investments at 31 March 2024 were managed entirely by Sarasin and Partners LLP. In 2018 the trustees made the decision to follow Pope Francis' lead in "Caring for the Earth" by moving the full portfolio of investments to Sarasin's Climate Active policy which offers a timely multi-asset investment solution for charities concerned by increased climate risk and who want to play a part in driving behavioural change. There are no restrictions on the charity powers to invest.

The investment strategy has been set by the trustees and it takes into account income requirements, the risk profile and investment managers' views of the market prospects in the medium term.

Although the positive nature of the fund is to invest with other like-minded charities concerned about the future of the earth, the policy has, and will continue to, require total return through a diversified portfolio whilst providing a level of income advised by the relevant trustees. There is also an ethical investment policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees, meeting annually with the investment managers to discuss performance and the future outlook of the fund.

Future plans

The General Chapter took place in late 2021. New Acts of the Chapter were then produced and continue to be implemented over the new trustees' term of office of 6 years, this continues to be adapted and monitored.

At Marian House, we are dedicated to achieving excellence and have set our sights on earning the prestigious **Outstanding** rating from the Care Quality Commission (CQC). This coveted accolade is reserved for the very best care homes, those that consistently perform at an exceptional level and surpass expectations. Our unwavering commitment is to continue delivering the highest standard of care and attention to our beloved sisters and residents.

For some years now, particularly due to the declining numbers and age profile of our Sisters in the UK, we have been working, and will continue to work, more collaboratively with other congregations and organisations with similar Charisms and ethos to our own, in this way we are sharing our knowledge and expertise to support them in ministries.

Given the declining number of our UK Sisters, we will be looking in the coming year to rationalise our estates.

Financial review

Results for the year

A summary of the year's results can be found on page 35 of this report and accounts.

Total income amounts to £4,758,021 (2023 - £2,416,705) and expenditure totals £4,734,965 (2023 - £4,472,430).

Financial review (continued)

Results for the year (continued)

Total income includes £656,931 (2023 - £276,432) generated by the residential Care Home. Other categories of income include investment income and interest receivable and donations and legacies. This latter category includes the salaries and pensions of individual members of the Congregation which are donated to the charity either by deed of covenant or by gift aid.

Total expenditure comprises expenditure on the residential and Care Home of £1,072,179 (2023 - £931,981). The major part of the expenditure on the Home is staff costs which totalled £730,700 (2023 - £659,427) representing payments to the Home's staff. Other expenditure includes the personal and living costs of the members of the Congregation and their ministry, donations paid and the costs of administering and managing the charity. The charity made donations of £1,293,869 (2023 - £1,209,910) to its connected charity in Ireland, the majority of which were used to assist with the ongoing living and care costs of sisters in Ireland along with support of the Irish Charitable Trust and its governance.

Deducting expenditure from income for the year gives a net income figure for the year before investment gains of £23,056 (2023 – net expenditure of £2,055,725).

Investment performance

The charity's listed investments increased in market value during the year. An income yield of 2.5% was achieved, whilst the capital yield was 7.5%. The investments were managed in accordance with the trustees' investment policy and within the specified ethical guidelines.

Net gains on listed investments during the year amounted to £1,219,015 (2023 - Net Loss £1,047,509).

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need 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 going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure (i.e. approximately £1,200,000 to £2,400,000).

Financial position

The charity balance sheet showed total reserves of £29,004,757 (2023 - £27,762,686).

Included in this figure was an amount of £87,060 (2023 - £27,572) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 18 to the accounts, together with an analysis of movements in the year.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

An amount of £22,923,953 (2023 - £21,693,763) has been designated, or set aside, for specific purposes. Of this £17 million (2023 - £16 million) represented the SSHJM Congregational Fund, which had been designated to provide for sisters in their retirement. This fund, set aside to provide for the sisters in their retirement, none of whom have resources of their own, was re-assessed during the year. The calculations, based on actuarial methods, indicated that £19.17 million needed to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. At 31 March 2024 £17 million had been set aside for this purpose as there are insufficient funds available to provide the full £19.17 million needed.

The care home fund totalled £228,198 (2023 - £8,918). These funds have increased due to the increase in fee paying residents along with the change in fee structure based on residents care needs. The charity continues to support Marian House with contributions from the charity towards the cost of caring for sisters.

The programme related fund at £5,661,846 (2023 - £5,661,846) represented the book value of those freehold properties occupied by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives.

The tangible fixed assets fund totalled £4,287,545 (2023 - £4,352,009) and was represented by those tangible fixed assets not financed out of restricted funds or included under the home fund.

Funds which were available to support the work of the sisters in the future i.e. the general funds totalled £1,706,199 (2023 - £1,689,342) and fell within the parameters of the charity's reserves policy.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation and to secure a good skills mix among them. Each community is governed by a Superior Leader or Council with shared responsibility. The Congregational Leader or her delegate is required to visit each community at least once every two years and there is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the sisters of the Congregation.

Governance, structure and management (continued)

Governance (continued)

In terms of Civil law, the charity is governed by a Constitution dated 4 September 2018 and is a registered charity, Charity Registration No. 11798804. The trustees of the charity are also the members of the Leadership Team (apart from the Congregational Treasurer). As all trustees are members of the Congregation they have a detailed knowledge of the work which the charity carries out and of its structure. On being appointed, new trustees will spend some time with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisers in order to obtain a full briefing of their responsibilities and the charity's position and attend appropriate study days.

According to the Constitution the number of trustees shall not fall below five. The trustees are – The Congregational Leader, three Team Members and the Congregational Treasurer.

During the year all or some of the trustees and senior staff attended:

- ◆ The Association of Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Religious Life Safeguarding Service (RLSS) training courses
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Formation courses and programmes with a view to capacity building within the Congregation and charity
- ◆ Trustee training sessions put on by:
 - ◇ The Charity Commission
 - ◇ Buzzacott LLP
 - ◇ Stone King LLP
 - ◇ Sarasin & Partners LLP
 - ◇ PIB Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Elizabeth Dawson

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, Chigwell, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

Governance, structure and management (continued)

Governance (continued)

After completing her term of office in August 2014 Sr Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters..

In March 2022 she was appointed Congregational Treasurer and returned to live in the Chigwell Community.

Sister Mary Dargie

Sister Mary Dargie entered the Congregation in 1997. She trained in Nursery/Infant and Special Education at Digby Stuart College, Roehampton from 1972 – 1975. During her teaching career, before entering the Congregation in 1997, Sr. Mary Dargie taught Reception aged children in a Mainstream Primary School; children from Itinerant families in Ireland; Primary and Senior students in 2 Special Schools; and young adults with learning and physical disabilities in a Residential Home. Since entering the Congregation Sister Mary Dargie has set up a Pre-School in Zambia; set up a Physiotherapy and Occupational Therapy Centre in The Philippines and has had a limited experience of the work the Sisters undertake in El Salvador. On returning to the UK Sister Mary Dargie administered a Parish in Sheffield prior to setting up the Congregation's House of Prayer in North Wales in 2010 where she was in post at the time of her election to be Assistant Congregational Leader at the General Chapter 2021.

Sister Elizabeth Mooney

Sister Elizabeth entered the Congregation in 1969. Previously she had worked as a bookkeeper with Fayle & Co, Birr for three years after completing a one year commercial course.

After finishing the noviciate, Sister Elizabeth undertook her Registered Nurse training at Wigan Infirmary and was then assigned to St Winifred's Hospital, Cardiff, for seven years before doing Midwifery training at Our Lady of Lourdes Hospital, Drogheda, Ireland. Sister Elizabeth spent one year in South Uist, Daliburgh Hospital, before being assigned to Sacred Heart Hospital Cork where she worked as Midwife in charge until being asked to go to Zambia, Chilonga Mission Hospital. After four years in Chilonga Sister Elizabeth was asked to move to Ndola, Zambia, as co-ordinator of the Home Based Programme where she stayed for fifteen years. In 2008 she was transferred to Lusaka, Zambia, where she was involved in administration work for the Congregation and Zambia Association of Sisterhoods. Sister Elizabeth was appointed to the Congregational Leadership at the Chapter in 2021.

Sister Mwalula Yvonne Mwila

Sister Yvonne entered the Congregation in 1997 after completing her secondary education. During her second year of the Novitiate, she did some studies in NVQ (Further and Adult Education Teacher's Certificate Stage one and two and Certificate in Learning Support (Classroom assistant) at Uxbridge College from 2000 to 2001. After making her first Vows she was missioned to El Salvador, where she continued with her studies at the University of Central America and obtained a Diploma in Special Education.

Governance, structure and management (continued)

Governance (continued)

She worked in El Salvador for 5 years. While in El Salvador, she helped to set up a Special Needs Unit in a local school. Sister Yvonne returned to Zambia in 2006 and went to college to study and obtained a Certificate in Primary Education and St. Charles Lwanga Teacher Training College.

Having completed her training, she was missioned to 'Mbala – Zambia to work in the SSHJM -Households In Distress (HID) Programme an HIV and AIDS Prevention and Management Project where she worked as an Orphan and Vulnerable Children (OVC) Education Coordinator. Yvonne was employed by the government after one year to teach in the special school in 'Mbala.

While in 'Mbala, she pursued her Bachelor of Science in Project Management – BScPM in 2012. She continued working in the SSHJM -HID Programme and in the government school. As an OVC Education Coordinator, she set up a Chele Community School, now a Primary school and Victor Braun Special School. She holds Post Graduate Diplomas in Monitoring and Evaluation and An International Postgraduate Diploma in Management Studies and in 2014, she gained her MA in Business Administration. She has been running the SSHJM -HID Programme as a Country Representative for the past 6 years and was Director for Bauleni Special Needs Project for 4 years.

Sister Yvonne was elected as one of the Councillors at the Chapter in 2021, prior to her election as Councillor she was the Unit Leader for 7 years in Zambia and Country representative/Director for the two Projects in Zambia.

Sister Julie Rose

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School, Hillingdon. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of our 2 special schools, supporting trustees and governors in strategic planning and governance.

Governance, structure and management (continued)

Trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the manager of the Care Home comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation 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 or key management.

In the case of the manager of the Care Home and the nurses and therapists at Marian House, the rates of pay are in line with the relevant post on the NHS Whitley Council scales. In view of the nature of the needs of the Care Home and the national shortage of nurses and care staff, the trustees pay slightly above the pay rate for comparable jobs in similar charitable nursing homes in the immediate locality.

Governance, structure and management (continued)

Structure and management reporting

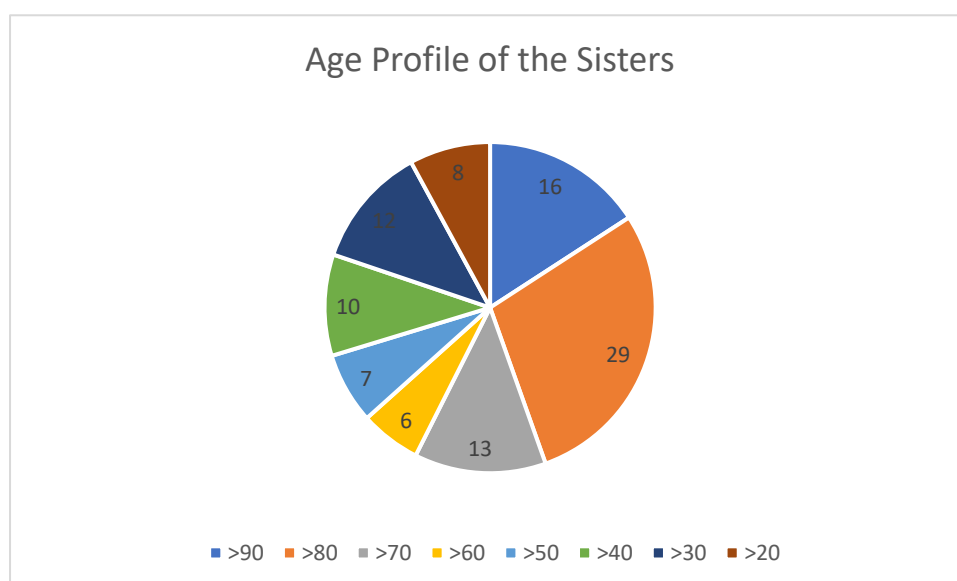
The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

During the year, the charity supported directly and indirectly 85 professed sisters and 16 temporarily professed sisters and 13 novices.

These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, two in the Philippines, one in El Salvador and one in California. Of the other communities there are six in the south of England and three in Midlands/Northern England, two in Scotland and one in North Wales.

Pastoral care is within the reach of most of the sisters even those who are quite advanced in years. For those who are more able, the work involves home visitation for those who are housebound and lonely. Hospital visitation is another area where a number of sisters are actively involved.

The age range of sisters is as follows:



The age range is no different from that of the rest of society. People are living and working longer than they did previously. The age of the sisters is predominantly between 70-90 years.

Governance, structure and management (continued)

Structure and management reporting (continued)

In addition to the convents as described in detail above, the charity operates the following in the United Kingdom:

◆ A Care Home.

Marian House is a Care Home which caters for our own elderly and infirm members and female members of the public. It is managed by a qualified and experienced manager. Trustees visit regularly and receive reports regarding all the aspects of the home.

◆ One facility for Prayer and Retreats

St Augustine's House of Prayer in Colwyn Bay, north Wales.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Brentwood, Southwark, Wrexham, Liverpool and Hallam; also with the Bishops in the diocese in the areas where we work overseas;
- ◆ Local Authorities where convents are situated;
- ◆ National Justice and Peace Network;
- ◆ Africa-Europe Faith and Justice Network;
- ◆ Religious Orders in Education;
- ◆ National Association of Special Schools;
- ◆ RENATE, an inter-European network for the prevention of trafficking of people;
- ◆ APT – Act to Prevent Trafficking;
- ◆ TRAC;
- ◆ The Romero Trust;
- ◆ RLSS, CSSA and “Network” safeguarding group of religious Congregations;
- ◆ The Medaille Trust

Public benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“Only two things matter, Jesus Christ and the poor”

Governance, structure and management (continued)

Public benefit (continued)

The following are the main areas in which the charity has provided public benefit:

- ◆ Social and pastoral ministries
- ◆ The Sisters have worked with the poorest of people, often in the poorest of conditions, for over 100 years. Despite our increasing collective age, many sisters continue to provide both spiritual and practical assistance to those in need. Much of the pastoral work is carried out in areas where it is hoped the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived and in desperate need of the care and pastoral work carried out by the Sisters.
- ◆ Overseas outreach

The charity has supported the Sisters' projects in, The Philippines, Uganda and Zambia. The services provided range from education of children with special needs; home based education and care for those who are too disabled to travel to school or who live too far from the schools; hostel provision for abandoned elderly and children with special needs; home based care for people with HIV; skills training and development as well as income generating projects; feeding projects for the poor and mal-nourished children who live in very over-crowded areas and care of the environment.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charity currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The trustees have identified the following five main areas of risk which may impact on the charity.

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavours to lead by example so that it can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ As seen in our age profile, the age of our members is 70 to 90 years. While the majority of the sisters are in the upper age bracket, we do have a growing number of younger and newer members in our various overseas mission countries.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Governance, structure and management (continued)

Risk management (continued)

Governance and management (continued)

- ◆ Elderly sisters who are currently doing voluntary pastoral work in parishes are encouraged to go gently and not take on more than they are able to do. Our motto in this regard is 'sisters are valued for who they are not for what they do' as some tend to feel guilty if they are not 'contributing'.
- ◆ One of the biggest risks we face here in the UK is the decrease in the number of younger women joining our Congregation. However, we have 16 young women in the early stages of formation for Religious Life in Zambia, Uganda and the Philippines.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. Our overseas missions have safeguarding procedures in place, in line with our policies and in keeping with their local Church policies and the safeguarding legislation of the countries in which they are located. We have a trustee who has comprehensive training in all matters pertaining to safeguarding and who is responsible for ensuring that the Safeguarding Officers in our missions have the requisite training to enable them to carry out their safeguarding roles effectively.

Financial

- ◆ We have a Finance Handbook along with a number of financial policies including a Sisters' personal budget policy, investment policy, pensions policy, property policy and an anti-fraud, bribery and anti-corruption policy.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the communities should there be any occasion that the Congregation, or the charity, is the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in our Care Home highest quality of care is provided in a safe environment training sessions are encouraged and regularly provided to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ The Care Quality Commission makes regular announced and unannounced visits to Marian House Care Home at very short notice.

Governance, structure and management (continued)

Risk management (continued)

Operational (continued)

- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2024 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the Congregation during the year to 31 March 2024. To include the reports from the various ministries would make an unwieldy document so a selection are highlighted in this paper. They do, however, make interesting reading and give the trustees a reassurance that the funds of the charity are used wisely and effectively for the benefit of the poor and marginalised. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2024.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sr Julie Rose
Trustee

Approved by the trustees on: 18 December 2024

Independent auditor's report to the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 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 31 March 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 and Accounts, 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.

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; 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 pages 24, 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.

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 identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 UK and Republic of Ireland (FRS 102), and the Charities Act 2011; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

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

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

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

15 January 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 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Income from:							
Donations and legacies	1	3,203,961	87,266	3,291,227	1,242,549	28,388	1,270,937
Investments and interest receivable	2	729,677	—	729,677	716,138	—	716,138
Charitable activities							
. Provision of care	3	656,931	—	656,931	276,432	—	276,432
. Prayer and retreat ministry	3	43,468	—	43,468	34,183	—	34,183
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	11,241	—	11,241	623	—	623
. Foreign exchange gains	4	—	—	—	62,948	—	62,948
. Miscellaneous income	4	25,477	—	25,477	55,444	—	55,444
Total income		4,670,755	87,266	4,758,021	2,388,317	28,388	2,416,705
Expenditure on:							
Raising funds							
. Investment management fee rebates		(32,675)	—	(32,675)	(35,017)	—	(35,017)
. Costs associated with maintaining Programme Related Investments		23,240	—	23,240	—	—	—
Charitable activities							
. Charitable donations and support of missionary work	5	2,030,916	27,778	2,058,694	1,882,349	25,155	1,907,504
. Provision of care	6	1,072,179	—	1,072,179	931,981	—	931,981
. Support of the sisters and their ministry	7	1,613,527	—	1,613,527	1,667,962	—	1,667,962
Total expenditure		4,707,187	27,778	4,734,965	4,447,275	25,155	4,472,430
Net income (expenditure) before gains (losses) on investments	10	(36,432)	59,488	23,056	(2,058,958)	3,233	(2,055,725)
Net gains (losses) on investments	15	1,219,015	—	1,219,015	(1,047,509)	—	(1,047,509)
Net income (expenditure) and net movement in funds		1,182,583	59,488	1,242,071	(3,106,467)	3,233	(3,103,234)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2023		27,735,114	27,572	27,762,686	30,841,581	24,339	30,865,920
Fund balances carried forward at 31 March 2024		28,917,697	87,060	29,004,757	27,735,114	27,572	27,762,686

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

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

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	14		4,344,670		4,355,789
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		16,701,513		15,949,744
			26,708,029		25,967,379
Current assets					
Debtors	16	181,547		362,971	
Cash at bank and in hand		2,249,760		1,612,022	
		2,431,307		1,974,993	
Liabilities:					
Creditors: amounts falling due within one year	17	(134,579)		(179,686)	
Net current assets			2,296,728		1,795,307
Total net assets			29,004,757		27,762,686
The funds of the charity					
Restricted funds	18		87,060		27,572
Unrestricted funds					
. Designated funds	19	22,923,953		21,693,763	
. Tangible fixed assets fund	20	4,287,545		4,352,009	
. General fund		1,706,199		1,689,342	
			28,917,697		27,735,114
			29,004,757		27,762,686

Approved by the trustees and signed on their behalf by:

Sr Julie Rose

Trustee

Approved on: 18 December 2024

Statement of cash flows Year to 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(409,420)	(2,816,203)
Cash flows from investing activities:			
Interest received		163,020	73,819
Programme related investment income		161,000	227,500
Income from listed investments		405,657	414,819
Purchase of tangible fixed assets		(161,010)	(68,878)
Proceeds from the disposal of tangible fixed assets		11,245	624
Purchase of investments		(34,207)	(1,147,171)
Proceeds from the disposal of investments		501,534	2,201,370
Net cash provided by investing activities		1,047,239	1,702,083
Change in cash and cash equivalents in the year		637,819	(1,114,120)
Cash and cash equivalents at 1 April 2023	B	1,612,111	2,726,231
Cash and cash equivalents at 31 March 2024	B	2,249,930	1,612,111

Notes to the statement of cash flows for the year to 31 March 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)	1,242,071	(3,103,234)
Adjustments for:		
Depreciation charge	196,320	164,880
(Gains) losses on investments	(1,219,015)	1,047,509
Investment income and interest receivable	(729,677)	(716,138)
Net gains on disposal of tangible fixed assets	(11,241)	(623)
Decrease (increase) in debtors	157,229	(279,346)
(Decrease) increase in creditors	(45,107)	70,749
Net cash used in operating activities	(409,420)	(2,816,203)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	2,249,760	1,612,022
Cash held by investment managers	170	89
Total cash and cash equivalents	2,249,930	1,612,111

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

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 31 March 2024 with comparative information provided in respect to the year to 31 March 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 judgments 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 a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and

Assessment of going concern

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

The current macroeconomic and geopolitical climate means that, undoubtedly, there will continue to be challenges ahead with rising prices and continuing volatility in world investment markets. However, the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Income from charitable activities comprises fees and related charges for the provision of care and fees and contributions received in respect to prayer and retreat ministry. Income derived from the levying of fees and charges for the provision of care services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income recognition (continued)

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

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

- ◆ Expenditure on raising funds comprises investment management fees and expenditure on maintaining those properties held as Programme related investments.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Charitable grants and donations, in the main, to support the charity's missionary work overseas and the support of Roman Catholic charitable organisations;

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Expenditure recognition (continued)

Grants 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 grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- ◇ Expenditure incurred in the provision of care to the frail and elderly at the charity's Care Home, including the costs of caring for the sick and elderly members of the Congregation therein;
- ◇ Direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

◆ **Inalienable land and buildings**

The charity owns a freehold property in Hambledon Surrey, which is leased to Orchard Hill College Academy Trust, which operates a non-maintained weekly boarding and day school for pupils of average intelligence but with special needs on the site.

The charity also owns freehold land in Sudbury, Suffolk, which is leased to St Joseph's Roman Catholic Primary School, a Catholic voluntary-aided school.

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the tenants, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

Tangible fixed assets (continued)

◆ Other freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost if purchased after 31 March 1996. Otherwise they are stated at a trustees' valuation made, with professional assistance, in 1996 and based on the then market value for existing use. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost.

Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the Congregation's care establishments and its large residential convents. Where acquired before 31 March 1996, they are stated at a valuation at that date made by the trustees with professional assistance. The basis of valuation is replacement cost for existing use less allowance for the condition of the buildings and any restrictions on their use and disposal. Structural and similar additions since 31 March 1996 are stated at cost. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost. With the exception of certain major building improvements, depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the charity.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

◆ Furniture and equipment

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five 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 each vehicle over its estimated useful life.

Fixed asset investments

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

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

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 comprise freehold properties used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 1 April 2010 and 1 April 2019 less any impairment provision. The upkeep of the properties is expensed as incurred, and their residual value is thought to be in excess of their carrying value. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Deposits for more than three months but less than one year are disclosed as short term deposits.

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 those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	1,000,763	—	1,000,763	1,160,936	—	1,160,936
Legacies	272,290	69,519	341,809	10,568	—	10,568
Donation from the Congregation in Ireland	1,894,491	—	1,894,491	—	—	—
Other donations	36,417	17,747	54,164	71,045	28,388	99,433
Total funds	3,203,961	87,266	3,291,227	1,242,549	28,388	1,270,937

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Income from listed investments						
. Global equities	405,397	—	405,397	414,514	—	414,514
. Cash instruments	260	—	260	305	—	305
	405,657	—	405,657	414,819	—	414,819
Interest receivable						
. Bank interest	162,309	—	162,309	73,338	—	73,338
. Interest on cash held by investment managers	711	—	711	481	—	481
	163,020	—	163,020	73,819	—	73,819
Income from programme related investments	161,000	—	161,000	227,500	—	227,500
Total funds	729,677	—	729,677	716,138	—	716,138

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Provision of care:						
Care home fees	656,931	—	656,931	276,432	—	276,432
	656,931	—	656,931	276,432	—	276,432
	Unrestricted funds £	Restricted funds £	Total fund 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Prayer and retreat ministry:						
Contributions received	43,468	—	43,468	34,183	—	34,183

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Surplus on the disposal of other tangible fixed assets:						
. Furniture, equipment and motor vehicles	11,241	—	11,241	623	—	623
Foreign exchange gains	—	—	—	62,948	—	62,948
Other miscellaneous income	25,477	—	25,477	55,444	—	55,444
Total funds	36,718	—	36,718	119,015	—	119,015

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Missionary work of the Congregation abroad	686,250	26,918	713,168	654,915	25,155	680,070
Donation to the Congregation in Ireland	1,293,869	—	1,293,869	1,209,910	—	1,209,910
Donations and grants to other organisations (see below)	47,600	—	47,600	13,416	—	13,416
Donations and grants to individuals	3,197	860	4,057	4,108	—	4,108
Total funds	2,030,916	27,778	2,058,694	1,882,349	25,155	1,907,504

During the year donations and grants were made to 43 (2023 - 40) individuals.

Grants and donations paid to other organisations comprised:

	2024 £	2023 £
Harmony House Dagenham CIO (see note 24)	32,623	2,576
Irenaeus Project	2,000	—
Misean Cara	8,505	8,819
Federation of the Sisters of the Sacred Hearts of Jesus and Mary	3,472	—
Disasters Emergency Committee	—	1,000
The Catholic Trust for England and Wales	1,000	—
Grants and donations of less than £1,000	—	1,021
	47,600	13,416

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Provision of care	897,680	—	897,680	752,255	—	752,255
Depreciation of buildings	25,835	—	25,835	24,049	—	24,049
Management of the Home	126,010	—	126,010	119,283	—	119,283
Allocation of support costs (note 8)	22,654	—	22,654	36,394	—	36,394
Total funds	1,072,179	—	1,072,179	931,981	—	931,981

7 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Also included here is expenditure relating to the prayer and retreat centre, St Augustine's Priory. It is not possible to separate out this expenditure as it is integrated with the work of the sisters and their ministry. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Staff costs	529,094	—	529,094	519,601	—	519,601
Premises costs	583,935	—	583,935	550,387	—	550,387
Sisters' personal and living expenses	348,196	—	348,196	411,962	—	411,962
Education, training and spiritual renewal	47,716	—	47,716	53,324	—	53,324
Sisters' ministries	22,450	—	22,450	15,468	—	15,468
Allocation of support costs (note 8)	82,136	—	82,136	117,220	—	117,220
Total funds	1,613,527	—	1,613,527	1,667,962	—	1,667,962

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2024 £	Basis of apportionment
Legal and professional fees	21,039	29,849	50,888	Pro rata expenditure
Governance costs (note 9)	1,615	30,695	32,310	Pro rata expenditure
Miscellaneous expenditure	—	21,593	21,593	Pro rata expenditure
	22,654	82,137	104,791	

	Provision of care £	Support of sisters and their ministry £	Total 2023 £	Basis of apportionment
Legal and professional fees	26,284	82,010	108,294	Pro rata expenditure
Governance costs (note 9)	10,110	30,480	40,590	Pro rata expenditure
Miscellaneous expenditure	—	4,730	4,730	Pro rata expenditure
	36,394	117,220	153,614	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Auditor's remuneration	32,310	—	32,310	40,590	—	40,590

10 Net income (expenditure before gains (losses) on investments)

This is stated after charging:

	Total 2024 £	Total 2023 £
Staff costs (note 11)	1,259,794	1,179,028
Auditor's remuneration:		
. Statutory audit – overall accounts	32,310	30,480
. Non-audit services – HR Consultancy and miscellaneous advice	—	14,796
Depreciation	196,320	164,880
Operating lease rentals	7,957	7,131

11 Staff costs and remuneration of key management

	2024 £	2023 £
Staff costs during the year were as follows:		
Wages and salaries	1,127,544	1,048,586
Social security costs	91,258	82,190
Other pension costs	35,962	35,638
	1,254,764	1,166,414
Payments to agency staff	3,750	11,614
Apprenticeship levy	1,280	1,000
	1,259,794	1,179,028

Payments to agency staff reflect the cost of agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2024 £	2023 £
Staff costs per function were as follows:		
Provision of care	730,700	659,427
Support of the sisters and their ministry	529,094	519,601
	1,259,794	1,179,028

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2023 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,250 (2023 - £3,125).

The average number of employees, analysed by function, was:

	2024 No.	2023 No.
Provision of care	33	30
Support of sisters and their ministry	23	24
	56	54

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 and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2023 - none).

11 Staff costs and remuneration of key management (continued)

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £51,810 (2023 - £50,277). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

12 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees.

As members of the Congregation, 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 £161,798 (2023 - £344,156). The 2023 figure included a lump sum pension receivable.

13 Taxation

The Sisters of the Sacred Hearts of Jesus and Mary CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2023	925,533	7,812,367	109,181	359,325	9,206,406
Additions	—	41,025	72,647	71,533	185,205
Disposals	—	—	(7,200)	(61,094)	(68,294)
At 31 March 2024	925,533	7,853,392	174,628	369,764	9,323,317
At cost	852,206	2,487,751	174,628	369,764	3,884,349
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,853,392	174,628	369,764	9,323,317
Depreciation					
At 1 April 2023	—	4,431,202	90,560	328,855	4,850,617
Charge for the year	—	137,410	26,797	32,113	196,320
On disposals	—	—	(7,200)	(61,090)	(68,290)
At 31 March 2024	—	4,568,612	110,157	299,878	4,978,647
Net book values					
At 31 March 2024	925,533	3,284,780	64,471	69,886	4,344,670
At 31 March 2023	925,533	3,381,165	18,621	30,470	4,355,789

The historical cost of freehold land and properties included above at a valuation cannot be ascertained with accuracy.

14 Tangible fixed assets (continued)

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

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 the 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.

15 Investments

At 31 March 2024 fixed asset investments comprised:

	2024 £	2023 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	16,701,513	15,949,744
	22,363,359	21,611,590

a. Programme related investment properties

During the year, the charity owned three properties which were not used directly by the charity but were used by other not-for-profit organisations for purposes consistent with the charity's objectives.

The properties included as programme related investments comprised:

	2024 £	2023 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

This property was valued by the trustees with professional assistance during 2015 on an open market value. Whilst rent was received during the year, no formal rental agreement was in place and the rent was below market rate.

Harmony House Dagenham is a CIO in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 24.

St John's RC School Chigwell and Pield Heath House School Uxbridge

These properties are occupied by the Sacred Hearts Sisters 1983 Charitable Fund. A license to occupy and pay an annual rental has been agreed. Further details are given in note 23.

15 Investments (continued)**b. Listed investments and cash held for reinvestment**

	2024 £	2023 £
Listed investments		
Market value at 1 April 2023	15,949,655	18,051,363
Additions at cost	34,207	1,147,171
Disposals at book value (proceeds: £501,534; realised gains: £5,688)	(495,846)	(2,239,503)
Net unrealised investment gains (losses)	1,213,327	(1,009,376)
Market value at 31 March 2024	16,701,343	15,949,655
 Cash held by investment managers for reinvestment	 170	 89
Listed investments at 31 March 2024	16,701,513	15,949,744
 Cost of listed investments at 31 March 2024	 14,055,761	 14,507,733

Listed investments held at 31 March 2024, all of which were dealt in on a recognised stock exchange, comprised the following:

	2024 £	2023 £
Global equity based common investment funds	16,087,155	14,869,565
Cash instruments	614,188	1,080,090
	16,701,343	15,949,655

Included in the investment portfolio were the following individual holdings which, at 31 March 2023 immediately prior to transfer to the newly formed CIO, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Climate Active Endowment Funds	16,087,155	96.3%	14,869,564	93.2%
Sarasin Sterling Liquidity Fund	614,188	3.7%	1,080,090	6.8%

16 Debtors

	2024 £	2023 £
Care fees and charges	82,870	8,290
Prepayments and accrued income	30,171	53,683
Other debtors	68,506	300,998
	181,547	362,971

Other debtors include £50,063 being tax refund on lump sum pension (2023 - £290,315 being a lump sum pension) receivable from a member of the Congregation as at 31 March 2024 under Gift Aid/deed of covenant.

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Social security and other taxes	11,865	10,597
Accruals and deferred income	54,071	92,782
Other creditors	68,643	76,307
	134,579	179,686

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2023 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2024 £
Overseas Missions fund	27,572	87,266	(27,778)	—	87,060

	At 1 April 2022 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2023 £
Overseas Missions fund	24,339	28,388	(25,155)	—	27,572

The specific purposes for which the funds are to be applied are as follows:

♦ Overseas Missions fund

This fund consists of donations and legacies specifically given to the charity to assist its overseas missionary work.

19 Designated funds

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2023	22,999	16,000,000	8,918	5,661,846	21,693,763
Movements in the year	10,910	1,000,000	219,280	—	1,230,190
At 31 March 2024	33,909	17,000,000	228,198	5,661,846	22,923,953

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2022	24,067	19,000,000	27,056	5,661,846	24,712,969
Movements in the year	(1,068)	(3,000,000)	(18,138)	—	(3,019,206)
At 31 March 2023	22,999	16,000,000	8,918	5,661,846	21,693,763

19 Designated funds (continued)

- ◆ Donations and mission fund
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ SSHJM Congregational fund
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations, based on actuarial methods, indicate that £19.17 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £17 million was set aside for this purpose as there are insufficient funds to provide the full £19.17 million.
- ◆ Home fund
This fund represents the accumulated funds and net current assets of the charity's residential and Care Home together with monies designated by the trustees for use by the home.
- ◆ Programme related investment fund
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2024 £	Total 2023 £
At 1 April 2023	4,352,009	4,468,428
Movements in the year	(64,464)	(116,419)
At 31 March 2024	4,287,545	4,352,009

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the home fund. A decision was made to separate this fund from the other funds 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 would be realisable with ease, in order to meet future contingencies.

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2024 £
Fund balances at 31 March 2024 are represented by:					
Tangible fixed assets	—	4,287,545	57,125	—	4,344,670
Investments	—	—	22,363,359	—	22,363,359
Net current assets	1,706,199	—	503,469	87,060	2,296,728
Total net assets	1,706,199	4,287,545	22,923,953	87,060	29,004,757
Unrealised gains included above on investments (see below)	—	—	2,664,915	—	2,664,915
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2023	—	—	1,441,922	—	1,441,922
Less: Amount in respect to disposals in year	—	—	(9,667)	—	(9,667)
Less: Net losses arising on revaluation in year	—	—	1,213,327	—	1,213,327
Unrealised gains at 31 March 2024	—	—	2,645,582	—	2,645,582
	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible fixed assets	—	4,352,009	3,780	—	4,355,789
Investments	—	—	21,611,590	—	21,611,590
Net current assets	1,689,342	—	78,393	27,572	1,795,307
Total net assets	1,689,342	4,352,009	21,693,763	27,572	27,762,686
Unrealised gains included above on investments (see below)	—	—	1,441,922	—	1,441,922
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2022	—	—	2,628,199	—	2,628,199
Less: Amount in respect to disposals in year	—	—	(176,901)	—	(176,901)
Less: Net losses arising on revaluation in year	—	—	(1,009,376)	—	(1,009,376)
Unrealised gains at 31 March 2023	—	—	1,441,922	—	1,441,922

The historical cost of a number of the charity's tangible fixed assets cannot be quantified accurately due to their age. The trustees consider that the cost of ascertaining such historical costs would be out of proportion to the benefits to the charity. It is not possible, therefore, to quantify accurately the total unrealised gains included within tangible fixed assets.

22 Operating lease commitments

At 31 March 2024, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2024	2023
	£	£
Operating lease payments due:		
. Within one year	6,958	7,306
. One to two years	4,923	6,017
. Two to five years	4,231	7,157
	16,112	20,480

23 Related party transactions

Two of the trustees of the charity are also trustees of The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418).

During the year, the CIO donated £1,293,869 (2023 - £1,209,910) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £1,894,491 (2023 - £ nil) which related to the proceeds from the sale of land.

Two of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, the Charitable fund paid the CIO £6,884 (2023 - £9,323) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The Charitable Fund paid the CIO £151,000 (2023 - £217,500) in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund.

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2023 - none).

24 Other connected entities

- ♦ Harmony House Dagenham CIO (Charity No 1198573 (England and Wales))
Harmony House CIO (charity number 1198573 as of April 2022) was originally established in 1993 in response to the needs of refugees and asylum seekers in Barking and Dagenham as part of the work of The Sisters of the Sacred Hearts of Jesus and Mary. As the numbers and needs of asylum seekers diminished, Harmony House adapted and channelled resources into meeting the needs of the local community when it was registered as a Community Interest Company in 2009. Harmony House continued to be governed by members of the Sisters of the Sacred Hearts of Jesus and Mary from 2009 until it transitioned to a Charitable Incorporated Organisation in April 2022. At this point, new trustees were appointed, and, while they were Sisters of the Congregation, only one of them was also a trustee of the Sisters of the Sacred Hearts of Jesus and Mary CIO. The trustee in question has since resigned from her trusteeship of Harmony House CIO.

24 Other connected entities (continued)

Harmony House is independent in its management and operation. However, the Harmony House CIO constitution requires the Sisters of the Sacred Hearts of Jesus and Mary CIO to appoint the Harmony House CIO nominated trustees, and they have recently appointed four lay individuals as trustees, meaning that the Sisters of the Congregation no longer form the majority on the Harmony House Board of Trustees. Given the declining numbers and age profile of the Congregation's UK-based Sisters, it will not be practicable over the course of the next few years to have the Congregation responsible in any way for the governance of Harmony House, and so, the Trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO have decided that the Harmony House constitution will be amended to remove the need for their CIO to appoint the Harmony House CIO trustees, and they are now working towards this.

The registered office occupied by Harmony House at Baden Powell Close, Dagenham is owned by the Sisters for the Sacred Hearts of Jesus and Mary CIO and is recorded in these accounts as a Programme related investment, it is leased for a rental of £10,000 per annum.

The charity made a donation to Harmony House CIO of £32,623 (2023 - £2,576) during the year.

25 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

26 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the 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.

Accounts

Sisters of the Sacred Hearts of Jesus and Mary CIO

Annual Report and Accounts

31 March 2023

Charity Registration Number
1179804

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

Trustees	Sister Julie Rose Sister Mary Dargie Sister Elizabeth Mooney Sr Mwalula Yvonne Mwila Sr Trinitor Putapo (resigned 12 January 2023) Sr Elizabeth Dawson
The Superior General	Sister Julie Rose
The Canonical Secretary	Sister Kathleen Corbett
The General Treasurer	Sister Elizabeth Dawson
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	1179804
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU

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

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Upper Borough Court
Upper Borough Walls
Bath
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Insurance Brokers PIB Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

Report of the trustees Year to 31 March 2023

The trustees present their report together with the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the “charity”) for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 36 to 42 and comply with the charity’s constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 105 (103 - 2022) sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The Sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

“Joyful co-creators sharing God’s unconditional love in our wounded world”

*“We, the Sisters of the Sacred Hearts of Jesus and Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God.”*

The accounts accompanying this report are the accounts of the charity through which certain of the net assets of the Congregation in England, Wales and Scotland are administered.

Mission

The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ Health (including caring for members of the Congregation)
- ◆ Education (including education of our own sisters and education within our overseas outreach)
- ◆ Pastoral ministry
- ◆ Overseas outreach

Activities, achievements, specific objectives and relevant policies

Health

The Sisters of the Sacred Hearts of Jesus and Mary CIO operates one Care Home in the United Kingdom.

Marian House Care Home

Marian House is a modern and purpose-built care home that provides residential care for religious sisters who have retired from missionary work in the UK and overseas, as well as other elderly people who wish to live in a faith-based environment. Marian House welcomes Sisters from other Religious Congregations as well as other members of community who require residential care needs. Mass is celebrated twice weekly by the Claretian Fathers. On days that there is no Mass, there is an 'Online' Mass and those who attend have the opportunity to receive Holy Communion.

Marian House was established in 1988. It is located in Uxbridge, Middlesex, and was officially opened by Cardinal Hulme on 11 February 1988.

The Care Home is led by a Registered Manager who is supported by three Team Leaders. The role of a Deputy Manager is currently vacant due to the level of occupancy, but it may be reconsidered when the care home is fully occupied. The care home also employs Senior Care Workers, Level 2 Carers, an Administrator, a Finance Officer, Laundry and Domestic Staff, a full-time Caretaker, a Chef/Cook, an Assistant Chef and Kitchen Assistants. The Registered Manager reports to Sister Elizabeth Mooney, trustee. The Team Leaders, Administrator, Finance Officer, Caretaker and Chef/Cook report to the Registered Manager. All Senior Carers and Level 2 Carers report to the Team Leaders.

Marian House works in partnership with the London Borough of Hillingdon. Two of the service users are currently funded by the Local authority. The Care Home also collaborates closely with the local NHS hospitals and healthcare services that provide additional support and advice on the service users' care and wellbeing, as well as staff training as needed. The Care Home has a Community Care Home Service team appointed by Hillingdon who visits the home as needed and offers support under the Care Home Support Programme, which aims to reduce hospital admissions.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

Marian House is subject to the regulation and inspection of the Care Quality Commission (CQC), which ensures that the Home meets the standards of all current legislation and that the service users are treated with dignity, respect and person-centred care in a safe environment. CQC also provides advice and guidance to the Home when needed. Marian House has not been inspected since the end of pandemic. However, CQC carried out a routine inspection program in March 2020, but it used a combination of onsite and off-site monitoring to maintain the public's confidence in the quality and safety of the care they receive. The Home had an off-site inspection by CQC on 12 January 2022. All five domains were assessed but not rated; however, the Home retained its "GOOD" rating. Marian House is still waiting for the CQC Provider Information Return for year 2023.

Hillingdon Quality Assurance (QA) is responsible for overseeing the provision of care and supporting the Home. A QA representative visited the Home for a spot check on 26 May 2022 and did not raise any concerns. The areas of recommendation were implemented.

This year, Marian House have achieved remarkable success, setting new standards in care and well-being for our sisters and residents. We have reopened St Anne's, providing a nurturing religious environment for those who wish to practice their faith. At Marian House, we have established an effective system and structure that has revolutionised the care we provide.

Despite facing a national shortage of care workers, we have risen to the challenge and promptly recruited top-quality staff to ensure the highest level of care. Our adoption of a person-centred care approach has been a resounding success, resulting in zero safeguarding issues and complaints at Marian House. We have not only met but exceeded Local Authority and CQC compliance standards.

Our efforts to raise awareness of our exceptional quality of care through card and postal campaigns in the community have been met with overwhelming positivity. We have received a flood of compliments from family members, Congregation members, and friends who recognise and appreciate our unwavering commitment to excellence.

At Marian House, we have implemented an innovative electronic medication system that has greatly reduced medication errors and discrepancies. Our staff have completed 95% of all mandatory training, applying their knowledge to their daily roles to promote the quality of life of our sisters and residents.

Our achievements have not gone unnoticed. www.Carehome.co.uk has provided us with glowing feedback, and we have secured 100% achievement for data security and the protection toolkit for social care managing and monitoring by QA Hillingdon Local Authority. Our yearly survey has also yielded overwhelming positive feedback.

In summary, this year at Marian House has been one of remarkable success and achievement. We are proud of our accomplishments and remain steadfast in our commitment to providing the highest level of care to our sisters and residents and as trustees we acknowledge the hard work of our staff at Marian House and, in particular, the Manager who has worked tirelessly to provide a happy welcoming Care Home.

Activities, achievements, specific objectives and relevant policies (continued)

Education

Over the last number of years, the trustees have put great emphasis on improving the academic qualifications and developing the leadership skills of our sisters throughout the world. This has involved a number of sisters upgrading their present qualifications in-country and travelling to other countries for Formation and Leadership training. Some sisters have gone to other countries in Africa and also come to the UK and to the Philippines to follow courses, and this has greatly benefitted the Congregation as a whole. We also support education as part of our overseas outreach work and this is highlighted under a separate heading below.

Sister Sylvia Luundu reflects on her time at the Kalundu Study Centre, following her participation in a Leadership and Formation course.

Extract from our Keeping In Touch Magazine - January 2023



“I would like to thank the previous leadership team for giving me the opportunity to attend the Leadership and Formation course at Kalundu and all the sisters for your prayers and support. I have moved to Mbala community where I am now teaching at a government school.”

Pastoral Ministry

Practically all of our ministries are pastoral in nature. The aims of the trustees in this area are to enable and encourage members of the Congregation to carry out much needed social and pastoral work within the local community. The objective being to motivate sisters to work and assist in any way the poor, elderly, sick and marginalised. Sadly, like many other religious congregations our age profile reflects that over two thirds of our Congregation are over seventy. However, the majority of sisters (even those in their 80's) are still very active in the area of pastoral ministry, providing a very valuable service to those in need.

Many of our “retired” UK and Irish sisters continue to be involved in hospital and care home chaplaincy, school governorship (including schools other than our own), parish ministry which includes visiting hospices, hospitals, the sick and housebound, homeless centres and our own convents by continuing to care for less able retired sisters.

Activities, achievements, specific objectives and relevant policies (continued)

Pastoral Ministry (continued)

In other areas of ministry our sisters are involved with catechesis, teaching English as a second language to immigrants trying to get jobs or applying for citizenship in the UK/Ireland, organising prayer groups and supporting travelling people who are being discriminated against at every level of society. We also have a few sisters assisting in the administration of the charity, ensuring we are moving forward and adapting to change.

An example of one of our sisters involved in Pastoral Ministry in her local community

Extract from our Keeping In Touch Magazine – January 2023 by Sister Lorna Walsh:

“Since arriving in Harlow I have been privileged to volunteer at Streets2Homes three days a week.

Streets2Homes is a Harlow-based charity which benefits the local community and homeless adults in Harlow. The service involves ‘outreach’ and ‘in reach’. Outreach means going out and talking to people that are sleeping on the streets, in reach is where the homeless come to the Centre for help. The aim is to avoid the ‘revolving door’ – where people come and then end up back on the streets.

As a volunteer I am not involved in helping the people find homes etc. I spend my time in the day room talking and – more importantly – listening to them. I get food or clothing for them as they need it and serve them lunch.”



Domus Mariae Retreat and Conference Centre

The centre provided a meeting place for groups who wish to utilise the quiet space and facilities for workshops and retreats, prayer and reflection and a regular meeting place for local groups.

However, as a result of the pandemic all activities in the Domus Mariae Retreat and Conference Centre had to stop once the country went into lockdown in late March 2020. Since then, the decision was made to review the facility and it's need for extensive modernisation and it was agreed by the trustees not to take over-night bookings anymore. It was also decided to ensure the safety of those sisters resident in Chigwell community (attached to the Retreat and Conference Centre) that it be closed indefinitely whilst Covid-19 was still prevalent in the community. The facility remained closed throughout 2021 to 2022 apart from being used by the local diocese for one meeting and used by the council for local election voting on one occasion. Following these closures the centre re-opened to day groups in 2022-2023 and to local church groups and the Rotary Club. However, the decision was taken by the trustees to fully close the Centre from January 2023.

Activities, achievements, specific objectives and relevant policies (continued)

St Augustine's Priory House of Prayer



St Augustine's Priory House of Prayer, offers a quiet and peaceful space for those wishing to deepen their relationship with God, or who are seeking to become more aware of God's presence in their daily lives. All that is offered to people from all denominations and those of no faith looking for rest amidst the busy-ness of everyday life. It offers residential and non-residential accommodation depending on the needs of the people, some of whom may have special needs. Throughout a normal year there is a busy calendar of events such as: Individually Guided Retreats; Private Retreats; Preached Retreats; Creative Retreats; Walking Retreats; Youth Retreats; and space for quiet holiday breaks. Mindfulness and retreats for those living through cancer have seen an increase in interest in the past few years along with our Walking and Contemplative Retreats, so we will look to offer more of these in planning our future programmes.

Along with retreats and days of prayer, St Augustine's also provides opportunities for the local community to use its facilities. The centre asks for offerings for its day and meeting room use and retreats/quiet holidays but these are kept low intentionally so that they are affordable for those with low incomes.

Justice and Peace

The Justice and Peace Centre continues to offer its IT expertise to the sisters and their helpers to produce materials needed for their ministry. Incorporated in the Justice and Peace Centre is a "communication hub" from which webinars are conducted so that members of the Congregation can stay connected with each other and through which they are encouraged to share ideas and experiences in their ministry.

Along with publishing the quarterly magazine "Keeping in Touch" which is available on our website, the Centre continues to assist in the development of the Sacred Heart Companions Programme. The Centre also supports the Romero Trust by printing their newsletter. The Romero Trust is a group supporting justice in El Salvador, which was an area we have been very involved in over the last few years.

Activities, achievements, specific objectives and relevant policies (continued)

Sacred Heart Companions

- ♦ **Uganda** – Here there is a very vibrant group in Mukono. The group meets regularly to pray together. Members also support children and young people with special needs visiting them in their homes. The group's activities are shared with the rest of the Companions in the letters that are sent from Chigwell on a regular basis.
- ♦ **Cebu, Philippines** –At present they meet for prayer in small groups but ministry has not yet begun again.
- ♦ **El Salvador** – There is only one group now but its members meet regularly to pray for peace in their country which is one of the most violent in the world!
- ♦ **UK** – The Herne Bay group members now meet for a Holy Hour Weekly in the Convent Chapel. They are a great support to our overseas missions but of course fundraising at present is rather restricted! The number of Companions in the Worksop group has decreased due to age and sadly in some cases death. The Barrhead, Scotland group meets very regularly and is a very vibrant group! The Coordinator sends letters to the groups almost monthly especially for feasts of the Congregation. Materials are also sent to each group to support their prayer times together.

Victor Braun Federation

The Federation obtained pontifical right on 4 July 2003. The Victor Braun Federation comprises three Institutes which all stemmed from the same foundation by Father Peter Victor Braun in Paris 1866. Three Congregations (ourselves based in the UK, Soeurs Servantes du Sacré-Coeur de Jésus – France, and Dienerinnen des heiligsten Herzens Jesu – Austria) joined together to become the Federation. We meet regularly and our mission is supported through this link. All three Congregations share a desire to remain connected (hence the sharing of the Federation house in St Avoild). Even though we bring our own culture, personalities and our individual uniqueness, we are united by our founder Father Victor Braun.

Overseas Outreach

The charity supports the Sisters' ministries in the following countries: The Philippines, Uganda and Zambia and we have one Sister living and working in California working within health care and pastoral work for the local diocese and one sister living in El Salvador carrying out local ministry.

To include a report from each overseas mission country and our numerous projects within each country would result in a very lengthy document. Therefore, this year we are highlighting a sample of the work we have been involved in Cebu, The Philippines and Mbala and Chingola Zambia and a short report on our sisters in Uganda.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

An extract from our Keeping In Touch Magazine, June 2022

A path to recovery in Cebu: A narrative of patients' progress and determination

By: Valerie C. Valencia, PTRP

Kindness and compassion: two words that help us to see beyond ourselves and feel for the pain and suffering of others. Being a physical therapist has allowed me to widen my perspective and understanding of people's situations. Each person has a different story to tell. Each patient has a unique experience. I, as a PT, am merely an instrument in helping patients regain their lost functionality.

During my first week working at The Sisters of The Sacred Hearts of Jesus and Mary Rehab and Wellness Center, I was asked by one of the sisters to visit and assess a person who had suffered a stroke at their humble abode. I was accompanied by two caregivers, we were guided by a Sister. The patient, Tatay Jesus, was living on the second floor of their house. On assessment, I observed that Tatay Jesus could neither independently transfer from bed to chair, nor use his limbs fully, thus limiting his ability to stand, walk, and in general move. I showed him and the caregivers a series of exercises that had to be performed in order to attain progress and reach the goal of independence. The caregivers were enthusiastically helping the patient as I finished demonstrating and instructing them on what to do and on how to perform the exercises properly. However, the treatment was cut short due to a diagnosis of a brain tumour and the lack of the necessary requirements for patient therapy.



A week or two had passed when to my surprise Tatay Jesus arrived at the rehab center with all the requirements in hand. He was already walking and capable of lifting weights. He told me that he regularly performed all the exercises that I had given him. His perseverance and determination to regain function and independence had been a huge factor in his recovery. He regularly went to the rehab center and continued his treatment with a new goal of being able to serve in the parish as soon as he improves and gains mobility. Today Tatay Jesus is back mingling in the community with greater endurance, strength, and mobility.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

Extract from our Keeping In touch Magazine, Spring 2022, Mbala, Zambia

Households in Distress (HID) Programme Christmas Celebration for the children at Sunsuntila and Victor Braun Special Needs School

On 23rd December, the SSHJM-HID Programme Management team organised a Christmas party for the children at Sunsuntila Orphan Day Care Centre and Victor Braun Special Needs School. The program started with celebrating Holy Mass . All the children from the Centre and VB attended the Holy Mass even those who are not Catholics. After Holy Mass, the children involved themselves in different entertainment activities, such as dancing, the Nativity play, Christmas carols , and traditional dances. Later they ended the Christmas Party together sharing a meal.

Sister Muda, the organiser, makes sure that all is perfect for the Nativity Mass and much more that happens on a daily basis.



A Report from Keeping In Touch Spring 2022 from Chingola Zambia

A report on Community Based Rehabilitation Center (CBR) – Sister Lucky Nambeye – Co-ordinator

Chingola is a mining town which depends much on copper mining as the main source of income for its citizens; hence the economic transformation which started with the second Republican government has affected the prices of basic commodities needed for daily necessities for home consumption. High costs of school requirements also affected the education of the poor youth in the communities of Chingola. A survey was done by the Sisters of the Sacred Hearts of Jesus and Mary to investigate the number of youth in Chiwempala township who are growing up without receiving primary and basic school education. Like other towns on the Copper Belt province, Chingola youth engage themselves in illegal mining at Nchanga Mine dumpsites because of the poverty experienced by their parents. The same dumpsite is a source of income for poor people in the area. Despite being a source of income, it is a dangerous place for young ones to do illegal mining. During the process of mining the pit sometimes collapses and children are buried alive.



Young ones are given drugs before starting work to combat the fears of going dangerously underground. They also smoke dagga (a type of strong cannabis), drink beer and tend to become violent or aggressive in their behaviour. During the survey SSHJM discovered that most of these children are unable to read or write.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

Therefore, we (SSHJM) have taken up the challenge to respond to some of the needs of these children: school dropouts and marginalized groupings: i.e. young adults, street children, children with special needs, orphans and vulnerable children ranging from 15 to 25 years at the former CBR in Chingola Chivempala Township in the Copper Belt Province of Zambia. Currently we have 30 boys and 49 girls who are attending the Centre on a daily basis and there are another 10 on the waiting list. On Saturdays we hold literacy classes for 45 women and 2 men.

The activities that are offered to our beneficiaries are:

Adult literacy Education

Feeding programme

Physical Education

Gardening

Spiritual and Moral education

Psychosocial counselling programme

Social activities

Our literacy classes are conducted every Saturday

An extract from our Keeping in Touch Magazine, September 2022 – a short report from our sisters in Uganda

Recently Sister Mary Costello was recognised and given an award from the Rotary Club in Uganda, appreciating her contributions towards the development of the country and in particular her work with persons who have special educational needs. As Sister Mary was unable to travel to Kampala to receive the award, Sister Jane Frances received it on her behalf and then went with it to Pabo.

Congratulations Sister Mary and all the Sisters in Uganda for your great work.



Sr Mary Costello being presented with her award form Sr Jane Frances

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

Much of the food that the sisters have they grow themselves thanks to the skills of Sister Maria Gorreth and Sister Jane Frances. The sisters who all work in the garden grow bananas, water melons, pumpkins, sugar cane and coffee to mention but a few! Some of the produce goes off to market to support the community and some goes to the community table.



They have two lovely cows, one is called Maria and the other Josephine. The sisters employ about five workers to work with them so it must be a sizable garden.

Investment policy

The charity's investments at 31 March 2023 were managed entirely by Sarasin and Partners LLP. In 2018 the trustees made the decision to follow Pope Francis' lead in "Caring for the Earth" by moving the full portfolio of investments to Sarasin's Climate Active policy which offers a timely multi-asset investment solution for charities concerned by increased climate risk and who want to play a part in driving behavioural change. There are no restrictions on the charity powers to invest.

The investment strategy has been set by the trustees and it takes into account income requirements, the risk profile and investment managers' views of the market prospects in the medium term.

Activities, achievements, specific objectives and relevant policies (continued)

Investment policy (continued)

Although the positive nature of the fund is to invest with other like-minded charities concerned about the future of the earth, the policy has, and will continue to, require total return through a diversified portfolio whilst providing a level of income advised by the relevant trustees. There is also an ethical investment policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees, meeting annually with the investment managers to discuss performance and the future outlook of the fund.

Future plans

The General Chapter took place in late 2021. New Acts of the Chapter have been produced and will be implemented over the new trustees' term of office of 6 years, this continues to be introduced and monitored.

Overseas outreach

In Uganda, the sisters are implementing various activities which include:

- ◆ Training of farmers who are returning to their land in Pabo, in conservation farming techniques to enable them to restart their farming in an environmentally friendly manner.
- ◆ Enabling women through the Kitchen Gardens project to learn good gardening practices to manage their gardens in an environmentally friendly way and to increase their household food security.
- ◆ Continuous provision of physiotherapy and other rehabilitative services.
- ◆ Provision of inclusive education.
- ◆ Sensitisation on disability concepts, myths, causes, management and to communities and families of children with disabilities to enable them to:
 - ◇ Change their mindset
 - ◇ Care for their children with disabilities
 - ◇ Reduce segregation/stigmatization.
 - ◇ Prevent further causes of disabilities in the families.

In Cebu, The Philippines, the sisters are working at the SPED Centre by providing skills training in various areas according to the abilities of the young adults with Special Needs. The project partners with other companies that welcome the learners to have some work experience in different companies. This is with the hope that young adults with special needs prepare for employment as it is not easy in the Philippines for them to get employment.

Future plans (continued)

Overseas outreach (continued)

In Zambia, the sisters in the projects are offering inclusive education and skills for vulnerable young adults and those with special educational needs. In addition, the projects focus on community empowerment through livelihoods, village savings, economic development, and sensitization programs on cross-cutting issues such as human trafficking, Gender-Based Violence, Safeguarding of children and vulnerable adults, Human rights, girl child education etc.

We continue to encourage capacity building for all staff and Sisters in Finance, Management, and Human Resources to have a business approach resulting in accountability and transparency in all our transactions. Empowered staff will then empower the beneficiaries to understand development.

Marian House Care Home

Our Care Home is striving for excellence, and we have set our sights on achieving an outstanding rating from the Care Quality Commission (CQC). This prestigious rating is awarded to only the very best Care Homes, those that perform exceptionally well and exceed expectations. We are committed to providing the highest level of care and attention to our sisters/residents, and as part of our plan, we are upgrading our nursing call system to the most advanced and effective technology available along with upgrading the communication and Tv system throughout the home.

As stated in our previous accounts we had planned to increase occupancy in Marian House and this has been progressing well from early 2023. This is under constant review, we are looking to increase our registered number of beds with the CQC.

Financial review

Results for the year

A summary of the year's results can be found on page 33 of this report and accounts.

Total income amounts to £2,416,705 (2022 - £3,795,029) and expenditure totals £4,472,430 (2022 - £4,534,830).

Total income includes £276,432 (2021 - £261,360) generated by the residential Care Home. Other categories of income include investment income and interest receivable and donations and legacies. This latter category includes the salaries and pensions of individual members of the Congregation which are donated to the charity either by deed of covenant or by gift aid.

Total expenditure comprises expenditure on the residential and Care Home of £931,981 (2022 - £974,491). The major part of the expenditure on the Home is staff costs which totalled £659,427 (2022 - £706,234) representing payments to the Home's staff. Other expenditure includes the personal and living costs of the members of the Congregation and their ministry, donations paid and the costs of administering and managing the charity. The charity made donations of £1,209,910 (2022 - £1,232,815) to its connected charity in Ireland, the majority of which were used to assist with the ongoing living and care costs of sisters in Ireland along with support of the Irish Charitable Trust and its governance.

Deducting expenditure from income for the year gives a net expenditure figure for the year before investment gains of £2,055,725 (2022 – net expenditure of £739,801).

Financial review (continued)

Investment performance

The charity's listed investments decreased in market value during the year. An income yield of 2% was achieved, whilst the capital yield was minus 6%% reflecting losses suffered due to a number of factors impacting the markets in 2022-23 such as quantitative easing ending, the Russia Ukraine war, along with high inflation and interest rate increases. The investments were managed in accordance with the trustees' investment policy and within the specified ethical guidelines.

Net losses on listed investments during the year amounted to £1,047,509. We are assured by our investment advisors that growth will slowly return in 2023 but at a much slower pace than the past few years whilst companies continue to adjust to the impact of the cost of living crisis, higher than normal inflation and continued interest rate rises.

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need 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 going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet showed total reserves of £27,762,686 (2022 - £30,865,920).

Included in this figure was an amount of £27,572 (2022 - £24,339) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 19 to the accounts, together with an analysis of movements in the year.

An amount of £21,693,763 (2022 - £24,712,969) has been designated, or set aside, for specific purposes. Of this £16 million (2022 - £19 million) represented the SSHJM Congregational Fund, which had been designated to provide for sisters in their retirement. This fund, set aside to provide for the sisters in their retirement, none of whom have resources of their own, was re-assessed during the year. The calculations, based on actuarial methods, indicated that £21.26 million needed to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. At 31 March 2023 £16 million had been set aside for this purpose as there are insufficient funds available to provide the full £21.26 million needed.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

The care home fund totalled £8,918 (2022 - £27,056). These funds are extremely low reflecting the high ongoing costs of providing care for the elderly sisters of the Congregation, where funding levels provided by statutory authorities fall substantially short of those required if services are to be maintained at the high levels of quality rightly demanded by residents and the sisters. Until such funding issues are resolved, the broader work of the charity will be required to continue to support Marian House with contributions from the charity towards the cost of caring for sisters. From April 2023 the home has increased the number of private residents and income has increased. Therefore, it is hoped that an increase in the Care Home fund will be reflected in the 2024 year end.

The programme related fund at £5,661,846 (2022 - £5,661,846) represented the book value of those freehold properties occupied by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives.

The tangible fixed assets fund totalled £4,352,009 (2022 - £4,468,428) and was represented by those tangible fixed assets not financed out of restricted funds or included under the home fund.

Funds which were available to support the work of the sisters in the future i.e. the general funds totalled £1,689,342 (2022 - £1,660,184) and fell within the parameters of the charity's reserves policy.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation and to secure a good skills mix among them. Each community is governed by a Superior Leader or Council with shared responsibility. The Congregational Leader or her delegate is required to visit each community at least once every two years and there is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the sisters of the Congregation.

Governance, structure and management (continued)

Governance (continued)

In terms of Civil law, the charity is governed by a Constitution dated 4 September 2018 and is a registered charity, Charity Registration No. 11798804. The trustees of the charity are the six members of the Leadership Team. As all trustees are members of the Congregation they have a detailed knowledge of the work which the charity will carry out with effect from 1 April 2019 and of its structure. On being appointed, new trustees will spend some time with those trustees leaving office. Once the charity is operational, they will also meet with the Congregation's legal, accounting, investment and property advisers in order to obtain a full briefing of their responsibilities and the charity's position and attend appropriate study days.

According to the Constitution the number of trustees shall not fall below five. The initial trustees are – The Congregational Leader, four Team Members and the General Treasurer.

During the year all or some of the trustees and senior staff attended:

- ◆ The Association of Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Religious Life Safeguarding Service (RLSS) training courses
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Formation courses and programmes with a view to capacity building within the Congregation and charity
- ◆ Trustee training sessions put on by:
 - ◇ The Charity Commission
 - ◇ Buzzacott LLP
 - ◇ Stone King LLP
 - ◇ Sarasin & Partners LLP
 - ◇ PIB Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Elizabeth Dawson (appointed 2 February 2022)

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, Chigwell, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

Governance, structure and management (continued)

Governance (continued)

Sister Elizabeth Dawson (appointed 2 February 2022) (continued)

After completing her term of office in August 2014 Sr Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters..

In March 2022 she was appointed Treasurer General and returned to live in the Chigwell Community.

Sister Mary Dargie (appointed 2 February 2022)

Sister Mary Dargie entered the Congregation in 1997. She trained in Nursery/Infant and Special Education at Digby Stuart College, Roehampton from 1972 – 1975. During her teaching career, before entering the Congregation in 1997, Sr. Mary Dargie taught Reception aged children in a Mainstream Primary School; children from Itinerant families in Ireland; Primary and Senior students in 2 Special Schools; and young adults with learning and physical disabilities in a Residential Home. Since entering the Congregation Sister Mary Dargie has set up a Pre-School in Zambia; set up a Physiotherapy and Occupational Therapy Centre in The Philippines and has had a limited experience of the work the Sisters undertake in El Salvador. On returning to the UK Sister Mary Dargie administered a Parish in Sheffield prior to setting up the Congregation's House of Prayer in North Wales in 2010 where she was in post at the time of her election to be Assistant Congregational Leader at the General Chapter 2021.

Sister Elizabeth Mooney (appointed 2 February 2022)

Sister Elizabeth entered the Congregation in 1969. Previously she had worked as a bookkeeper with Fayle & Co, Birr for three years after completing a one year commercial course.

After finishing the noviciate, Sister Elizabeth undertook her Registered Nurse training at Wigan Infirmary and was the assigned to St Winifred's Hospital, Cardiff, for seven years before doing Midwifery training at Our Lady of Lourdes Hospital, Drogheda, Ireland. Sister Elizabeth spent one year in South Uist, Daliburgh Hospital, before being assigned to Sacred Heart Hospital Cork where she worked as Midwife in charge until being asked to go to Zambia, Chilonga Mission Hospital. After four years in Chilonga Sister Elizabeth was asked to move to Ndola, Zambia, as co-ordinator of the Home Based Programme where she stayed for fifteen years. In 2008 she was transferred to Lusaka, Zambia, where she was involved in administration work for the Congregation and Zambia Association of Sisterhoods. Sister Elizabeth was appointed to the Congregational Leadership at the Chapter in 2021.

Governance, structure and management (continued)

Governance (continued)

Sister Mwalula Yvonne Mwila (appointed 2 February 2022)

Sister Yvonne entered the Congregation in 1997 after completing her secondary education. During her second year of the Novitiate, she did some studies in NVQ (Further and Adult Education Teacher's Certificate Stage one and two and Certificate in Learning Support (Classroom assistant) at Uxbridge College from 2000 to 2001. After making her first Vows she was missioned to El Salvador, where she continued with her studies at the University of Central America and obtained a Diploma in Special Education. She worked in El Salvador for 5 years. While in El Salvador, she helped to set up a Special Needs Unit in a local school. Sister Yvonne returned to Zambia in 2006 and went to college to study and obtained a Certificate in Primary Education and St. Charles Lwanga Teacher Training College. Having completed her training, she was missioned to 'Mbala – Zambia to work in the SSHJM - Households In Distress (HID) Programme an HIV and AIDS Prevention and Management Project where she worked as an Orphan and Vulnerable Children (OVC) Education Coordinator. Yvonne was employed by the government after one year to teach in the special school in 'Mbala.

While in 'Mbala, she pursued her Bachelor of Science in Project Management – BScPM in 2012. She continued working in the SSHJM -HID Programme and in the government school. As an OVC Education Coordinator, she set up a Chele Community School, now a Primary school and Victor Braun Special School. She holds Post Graduate Diplomas in Monitoring and Evaluation and An International Postgraduate Diploma in Management Studies and in 2014, she gained her MA in Business Administration. She has been running the SSHJM -HID Programme as a Country Representative for the past 6 years and was Director for Bauleni Special Needs Project for 4 years.

Sister Yvonne was elected as one of the Councillors at the Chapter in 2021, prior to her election as Councillor she was the Unit Leader for 7 years in Zambia and Country representative/Director for the two Projects in Zambia.

Sister Trinitor Putapo (appointed 2 February 2022 resigned 12 January 2023)

Sister Trinitor made her first profession of vows in the Congregation of the Sisters of the Sacred Hearts of Jesus and Mary in 2007. From 2008 to 2010, she trained as a Registered Nurse at Lusaka School of Nursing from which she obtained a Diploma. She was employed in the civil service in 2011 and has since then worked in a number of health facilities in Zambia. Sister Trinitor made her perpetual profession of vows in 2013 at St James parish in Kasama, Northern Province. In 2015, she did her midwifery training at Ndola School of Nursing and obtained an advanced Diploma in Nursing. Sister Trinitor was asked to take up a responsibility of Vocation Directress for Zambia by the Congregation in 2016 which she joyfully accepted and has been helping young women to discern vocations until being elected onto the Leadership Team in 2021.

Sister Trinitor also did her formation studies from 2018 to 2019 at Tangaza University College in Kenya from which she obtained a Diploma in Religious Formation.

Governance, structure and management (continued)

Governance (continued)

Sister Julie Rose (appointed 02.02.22)

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School, Hillingdon. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of our 2 special schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance, structure and management (continued)

Key management

The trustees consider that they together with the manager of the Care Home comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation 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 or key management.

In the case of the manager of the Care Home and the nurses and therapists at Marian House, the rates of pay are in line with the relevant post on the NHS Whitley Council scales. In view of the nature of the needs of the Care Home and the national shortage of nurses and care staff, the trustees pay slightly above the pay rate for comparable jobs in similar charitable nursing homes in the immediate locality.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

During the year, the charity supported directly and indirectly 85 professed sisters and 20 temporarily professed sisters and 6 novices.

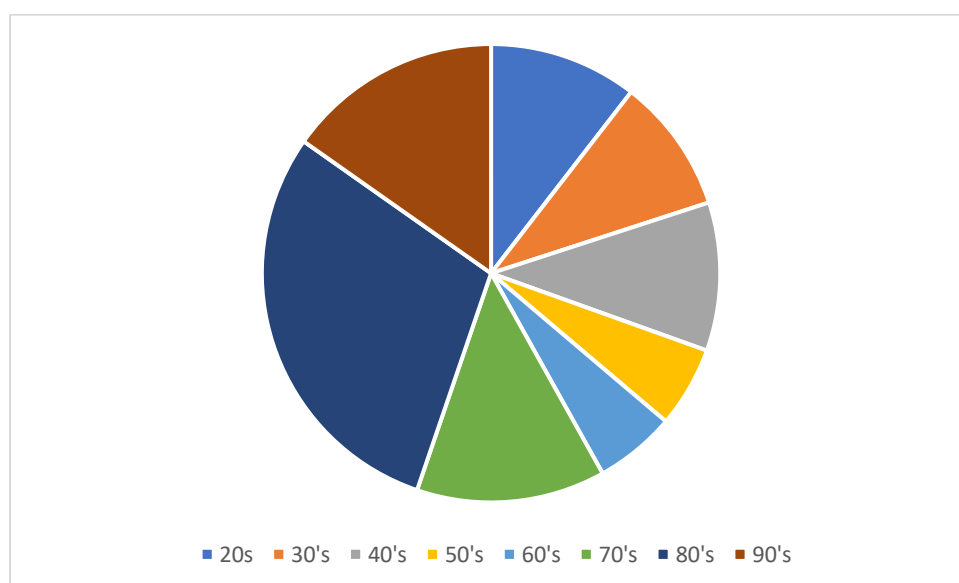
These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, two in the Philippines, one in El Salvador and one in California. Of the other communities there are six in the south of England and three in Midlands/Northern England, two in Scotland and one in North Wales.

Pastoral care is within the reach of most of the sisters even those who are quite advanced in years. For those who are more able, the work involves home visitation for those who are housebound and lonely. Hospital visitation is another area where a number of sisters are actively involved.

Governance, structure and management (continued)

Structure and management reporting (continued)

The age range of sisters is as follows:



The age range is no different from that of the rest of society. People are living and working longer than they did previously. The age of the sisters is predominantly between 70-90 years.

In addition to the convents as described in detail above, the charity operates the following in the United Kingdom:

- ◆ A Care Home.

Marian House is a Care Home which caters for our own elderly and infirm members. It is managed by a qualified and experienced manager. Trustees visit regularly and receive reports regarding all the aspects of the home.

- ◆ Two facilities for Prayer and Retreats (reducing to one from January 2023).

Domus Mariae Prayer and Retreat Centre is situated in Chigwell, Essex and St Augustine's House of Prayer in Colwyn Bay, north Wales. Following the covid pandemic when the centres were forced to close, Domus Mariae reopened with a reduced capacity to day time only groups but during the year the decision was made to close the facility completely.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Westminster, Brentwood, Southwark, Wrexham, Liverpool and Hallam; also with the Bishops in the diocese in the areas where we work overseas;
- ◆ Local Authorities where convents are situated;

Governance, structure and management (continued)

Working with other organisations (continued)

- ◆ National Justice and Peace Network;
- ◆ Africa-Europe Faith and Justice Network;
- ◆ Religious Orders in Education;
- ◆ National Association of Special Schools;
- ◆ RENATE, an inter-European network for the prevention of trafficking of people;
- ◆ APT – Act to Prevent Trafficking;
- ◆ TRAC;
- ◆ The Romero Trust;
- ◆ RLSS, CSSA and “Network” safeguarding group of religious Congregations;
- ◆ The Medaille Trust

Public benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“Only two things matter, Jesus Christ and the poor”

The following are the main areas in which the charity has provided public benefit:

- ◆ Social and pastoral ministries

The Sisters have worked with the poorest of people, often in the poorest of conditions, for over 100 years. Despite our increasing collective age, many sisters continue to provide both spiritual and practical assistance to those in need. Much of the pastoral work is carried out in areas where it is hoped the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived and in desperate need of the care and pastoral work carried out by the Sisters.

- ◆ Overseas outreach

The charity has supported the Sisters’ projects in, The Philippines, Uganda and Zambia. The services provided range from education of children with special needs; home based education and care for those who are too disabled to travel to school or who live too far from the schools; hostel provision for abandoned elderly and children with special needs; home based care for people with HIV; skills training and development as well as income generating projects; feeding projects for the poor and mal-nourished children who live in very over-crowded areas and care of the environment.

Governance, structure and management (continued)

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charity currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The trustees have identified the following five main areas of risk which may impact on the charity.

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavours to lead by example so that it can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ As seen in our age profile, the age of our members is 70 to 90 years. While the majority of the sisters are in the upper age bracket, we do have a growing number of younger and newer members in our various overseas mission countries.
- ◆ We have engaged lay members of staff who are aware of our ethos.
- ◆ Elderly sisters who are currently doing voluntary pastoral work in parishes are encouraged to go gently and not take on more than they are able to do. Our motto in this regard is 'sisters are valued for who they are not for what they do' as some tend to feel guilty if they are not 'contributing'.
- ◆ One of the biggest risks we face here in the UK is the decrease in the number of younger women joining our Congregation. However, we have 6 young women in the early stages of formation for Religious Life in Zambia, Uganda and the Philippines.

As seen here, we continue to support those younger sisters making their vows: here we see Sisters Mary and Flavious making their first commitment of vows in Zambia:



Governance, structure and management (continued)

Risk management (continued)

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. Our overseas missions have safeguarding procedures in place, in line with our policies and in keeping with their local Church policies and the safeguarding legislation of the countries in which they are located. We have a trustee who has comprehensive training in all matters pertaining to safeguarding and who is responsible for ensuring that the Safeguarding Officers in our missions have the requisite training to enable them to carry out their safeguarding roles effectively.

Financial

- ◆ We have a Finance Handbook, which is under review and will be updated in the coming year along with a number of financial policies including a Sisters' personal budget policy, investment policy, pensions policy, property policy and an anti-fraud, bribery and anti-corruption policy.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the communities should there be any occasion that the Congregation, or the charity, is the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in our Care Home highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ The Care Quality Commission makes regular announced and unannounced visits to Marian House Care Home at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2023 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the Congregation during the year to 31 March 2023. To include the reports from the various ministries would make an unwieldy document so a selection are highlighted in this paper. They do, however, make interesting reading and give the trustees a reassurance that the funds of the charity are used wisely and effectively for the benefit of the poor and marginalised. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2023.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved by the trustees on: 11th December 2023

Independent auditor's report to the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 UK and Republic of Ireland (FRS 102), and the Charities Act 2011; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12th December 2023

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

Statement of financial activities Year to 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from:							
Donations and legacies	1	1,242,549	28,388	1,270,937	2,528,177	172,474	2,700,651
Investments and interest receivable	2	716,138	—	716,138	754,461	—	754,461
Charitable activities							
. Provision of care	3	276,432	—	276,432	243,044	18,316	261,360
. Prayer and retreat ministry	3	34,183	—	34,183	31,390	—	31,390
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	623	—	623	4,094	—	4,094
. Foreign exchange gains	4	62,948	—	62,948	—	—	—
. Miscellaneous income	4	55,444	—	55,444	43,073	—	43,073
Total income		2,388,317	28,388	2,416,705	3,604,239	190,790	3,795,029
Expenditure on:							
Raising funds							
. Investment management fee rebates		(35,017)	—	(35,017)	(40,296)	—	(40,296)
Charitable activities							
. Charitable donations and support of missionary work	5	1,882,349	25,155	1,907,504	1,801,451	173,376	1,974,827
. Provision of care	6	931,981	—	931,981	956,175	18,316	974,491
. Support of the sisters and their ministry	7	1,667,962	—	1,667,962	1,625,808	—	1,625,808
Total expenditure		4,447,275	25,155	4,472,430	4,343,138	191,692	4,534,830
Net (expenditure) income before (losses) gains on investments	10	(2,058,958)	3,233	(2,055,725)	(738,899)	(902)	(739,801)
Net (losses) gains on investments	15	(1,047,509)	—	(1,047,509)	418,751	—	418,751
Net (expenditure) income and net movement in funds		(3,106,467)	3,233	(3,103,234)	(320,148)	(902)	(321,050)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		30,841,581	24,339	30,865,920	31,161,729	25,241	31,186,970
Fund balances carried forward at 31 March 2023		27,735,114	27,572	27,762,686	30,841,581	24,339	30,865,920

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

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

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	14		4,355,789		4,475,987
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		15,949,744		18,062,156
			25,967,379		28,199,989
Current assets					
Debtors	16	362,971		59,430	
Short term deposits		103,103		102,600	
Cash at bank and in hand		1,508,919		2,612,838	
		1,974,993		2,774,868	
Liabilities:					
Creditors: amounts falling due within one year	17	(179,686)		(108,937)	
Net current assets			1,795,307		2,665,931
Total net assets			27,762,686		30,865,920
The funds of the charity					
Restricted funds	18		27,572		24,339
Unrestricted funds					
. Designated funds	19	21,693,763		24,712,969	
. Tangible fixed assets fund	20	4,352,009		4,468,428	
. General fund		1,689,342		1,660,184	
			27,735,114		30,841,581
			27,762,686		30,865,920

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved on: 11th December 2023

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(2,816,203)	(1,347,806)
Cash flows from investing activities:			
Interest received (paid)		73,819	(4,849)
Programme related investment income		227,500	323,750
Income from listed investments		414,819	435,560
Purchase of tangible fixed assets		(68,878)	(39,364)
Proceeds from the disposal of tangible fixed assets		624	21,240
Purchase of investments		(1,147,171)	(541,825)
Proceeds from the disposal of investments		2,201,370	1,101,910
Net cash provided by investing activities		1,702,083	1,296,422
Change in cash and cash equivalents in the year		(1,114,120)	(51,384)
Cash and cash equivalents at 1 April 2022	B	2,726,231	2,777,615
Cash and cash equivalents at 31 March 2023	B	1,612,111	2,726,231

Notes to the statement of cash flows for the year to 31 March 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(3,103,234)	(321,050)
Adjustments for:		
Depreciation charge	164,880	255,154
Losses (gains) on investments	1,047,509	(418,751)
Investment income and interest receivable	(716,138)	(754,461)
Net gains on disposal of tangible fixed assets	(623)	(4,094)
Increase in debtors	(279,346)	(9,385)
Increase (decrease) in creditors	70,749	(95,219)
Net cash used in operating activities	2,816,203	(1,347,806)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Short term deposits (less than three months)	103,103	102,600
Cash at bank and in hand	1,508,919	2,612,838
Cash held by investment managers	89	10,793
Total cash and cash equivalents	1,612,111	2,726,231

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

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 31 March 2023 with comparative information provided in respect to the year to 31 March 2022.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ Assessing the probability of the receipt of legacy income;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

Assessment of going concern (continued)

The current macroeconomic and geopolitical climate means that, undoubtedly, there will continue to be challenges ahead with rising prices and continuing volatility in world investment markets. However, the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

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

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

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

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

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

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Income from charitable activities comprises fees and related charges for the provision of care and fees and contributions received in respect to prayer and retreat ministry. Income derived from the levying of fees and charges for the provision of care services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Coronavirus Job Retention Scheme funding is credited to the statement of financial activities when the charity has entitlement to the income and the amount receivable has been quantified.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

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

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Charitable grants and donations, in the main, to support the charity's missionary work overseas and the support of Roman Catholic charitable organisations;

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants 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 grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- ◇ Expenditure incurred in the provision of care to the frail and elderly at the charity's Care Home, including the costs of caring for the sick and elderly members of the Congregation therein;
- ◇ Direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

Allocation of support and governance costs (continued)

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

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

◆ **Inalienable land and buildings**

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◆ **Other freehold land and buildings**

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost if purchased after 31 March 1996. Otherwise they are stated at a trustees' valuation made, with professional assistance, in 1996 and based on the then market value for existing use. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost.

Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the Congregation's care establishments and its large residential convents. Where acquired before 31 March 1996, they are stated at a valuation at that date made by the trustees with professional assistance. The basis of valuation is replacement cost for existing use less allowance for the condition of the buildings and any restrictions on their use and disposal. Structural and similar additions since 31 March 1996 are stated at cost. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost. With the exception of certain major building improvements, depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the charity.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

Tangible fixed assets (continued)

- ◆ Furniture and equipment
Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five 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 each vehicle over its estimated useful life.

Fixed asset investments

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

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

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 comprise freehold properties used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 1 April 2010 and 1 April 2019 less any impairment provision. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

Debtors

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

Cash at bank and in hand

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

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 those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	1,160,936	—	1,160,936	963,712	—	963,712
Legacies	10,568	—	10,568	432	—	432
Donation from the Congregation in Ireland	—	—	—	1,550,161	—	1,550,161
Other donations	71,045	28,388	99,433	13,872	172,474	186,346
Total funds	1,242,549	28,388	1,270,937	2,528,177	172,474	2,700,651

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from listed investments						
. Global equities	414,514	—	414,514	435,549	—	435,549
. Cash instruments	305	—	305	11	—	11
	414,819	—	414,819	435,560	—	435,560
Interest receivable						
. Bank interest	73,338	—	73,338	(4,865)	—	(4,865)
. Interest on cash held by investment managers	481	—	481	16	—	16
	73,819	—	73,819	(4,849)	—	(4,849)
Income from programme related investments	227,500	—	227,500	323,750	—	323,750
Total funds	716,138	—	716,138	754,461	—	754,461

The negative bank interest receivable in the year ended 31 March 2022 is a result of the negative interest rates on Euro deposit accounts during that year.

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Provision of care:						
Care home fees	276,432	—	276,432	243,044	—	243,044
Grants	—	—	—	—	18,316	18,316
	276,432	—	276,432	243,044	18,316	261,360
	Unrestricted funds £	Restricted funds £	Total fund 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Prayer and retreat ministry:						
Contributions received	34,183	—	34,183	31,390	—	31,390

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Surplus on the disposal of other tangible fixed assets:						
. Furniture, equipment and motor vehicles	623	—	623	4,094	—	4,094
Coronavirus Job Retention Scheme	—	—	—	7,646	—	7,646
Foreign exchange gains	62,948	—	62,948	—	—	—
Other miscellaneous income	55,444	—	55,444	35,427	—	35,427
Total funds	119,015	—	119,015	47,167	—	47,167

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Missionary work of the Congregation abroad	654,915	25,155	680,070	450,439	173,376	623,815
Donation to the Congregation in Ireland	1,209,910	—	1,209,910	1,232,815	—	1,232,815
Donations and grants to other organisations (see below)	13,416	—	13,416	97,650	—	97,650
Donations and grants to individuals	4,108	—	4,108	20,547	—	20,547
Total funds	1,882,349	25,155	1,907,504	1,801,451	173,376	1,974,827

During the year donations and grants were made to 40 (2022 - 38) individuals.

Grants and donations paid to other organisations comprised:

	2023 £	2022 £
Harmony House Dagenham Community Interest Company (see note 25)	2,576	11,481
Sisters of the Sacred Hearts of Jesus and Mary 1983 Charitable Fund	—	40,800
Irenaeus Project	—	35,000
Mary's Meals	—	1,000
Misean Cara	8,819	8,387
Disasters Emergency Committee	1,000	—
Grants and donations of less than £1,000	1,021	982
	13,416	97,650

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Provision of care	752,255	—	752,255	756,503	18,316	774,819
Depreciation of buildings	24,049	—	24,049	42,055	—	42,055
Management of the Home	119,283	—	119,283	121,795	—	121,795
Allocation of support costs (note 8)	36,394	—	36,394	35,822	—	35,822
Total funds	931,981	—	931,981	956,175	18,316	974,491

7 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Also included here is expenditure relating to the prayer and retreat centre, Domus Mariae & St Augustine's Priory. It is not possible to separate out this expenditure as it is integrated with the work of the sisters and their ministry. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Staff costs	519,601	—	519,601	514,279	—	514,279
Premises costs	550,387	—	550,387	511,943	—	511,943
Sisters' personal and living expenses	411,962	—	411,962	422,010	—	422,010
Education, training and spiritual renewal	53,324	—	53,324	38,174	—	38,174
Sisters' ministries	15,468	—	15,468	20,214	—	20,214
Allocation of support costs (note 8)	117,220	—	117,220	119,188	—	119,188
Total funds	1,667,962	—	1,667,962	1,625,808	—	1,625,808

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2022 £	Basis of apportionment
Legal and professional fees	26,284	82,010	108,294	Pro rata expenditure
Governance costs (note 9)	10,110	30,480	40,590	Pro rata expenditure
Miscellaneous expenditure	—	4,730	4,730	Pro rata expenditure
	36,394	117,220	153,614	

	Provision of care £	Support of sisters and their ministry £	Total 2022 £	Basis of apportionment
Legal and professional fees	34,436	57,108	91,544	Pro rata expenditure
Governance costs (note 9)	1,386	26,334	27,720	Pro rata expenditure
Miscellaneous expenditure	—	35,746	35,746	Pro rata expenditure
	35,822	119,188	155,010	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Auditor's remuneration	40,590	—	40,590	27,720	—	27,720

10 Net (expenditure) income before (losses) gains on investments

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 11)	1,179,028	1,220,513
Auditor's remuneration:		
. Statutory audit – overall accounts	30,480	27,720
. Non-audit services – HR Consultancy and miscellaneous advice	14,796	39,655
Depreciation	164,880	255,154
Operating lease rentals	7,131	5,054

11 Staff costs and remuneration of key management

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	1,048,586	1,091,019
Social security costs	82,190	81,021
Other pension costs	35,638	38,210
	1,166,414	1,210,250
Redundancy costs	—	6,000
Payments to agency staff	11,614	3,015
Apprenticeship levy	1,000	1,248
	1,179,028	1,220,513

Payments to agency staff reflect the cost of agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2023 £	2022 £
Staff costs per function were as follows:		
Provision of care	659,427	706,234
Support of the sisters and their ministry	519,601	514,279
	1,179,028	1,220,513

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2022 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,125 (2022 - £3,064).

The average number of employees, analysed by function, was:

	2023 No.	2022 No.
Provision of care	30	36
Support of sisters and their ministry	24	24
	54	60

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 and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2022 - none).

11 Staff costs and remuneration of key management (continued)

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £50,277 (2022 - £49,437). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

12 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees.

As members of the Congregation, 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 £344,156 (2022 - £80,564). The 2023 figure included a lump sum pension receivable.

13 Taxation

The Sisters of the Sacred Hearts of Jesus and Mary CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2022	925,533	7,767,684	114,449	371,489	9,179,155
Additions	—	44,683	—	—	44,683
Disposals	—	—	(5,268)	(12,164)	(17,432)
At 31 March 2023	925,533	7,812,367	109,181	359,325	9,206,406
At cost	852,206	2,446,726	109,181	359,325	3,767,438
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,812,367	109,181	359,325	9,206,406
Depreciation					
At 1 April 2022	—	4,298,727	81,728	322,713	4,703,168
Charge for the year	—	132,475	14,100	18,305	164,880
On disposals	—	—	(5,268)	(12,163)	(17,431)
At 31 March 2023	—	4,431,202	90,560	328,855	4,850,617
Net book values					
At 31 March 2023	925,533	3,381,165	18,621	30,470	4,355,789
At 31 March 2022	925,533	3,468,957	32,721	48,776	4,475,987

The historical cost of freehold land and properties included above at a valuation cannot be ascertained with accuracy.

14 Tangible fixed assets (continued)

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

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 the 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.

15 Investments

At 31 March 2023 fixed asset investments comprised:

	2023 £	2022 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	15,949,744	18,062,156
	21,611,590	23,724,002

a. Programme related investment properties

During the year, the charity owned three properties which were not used directly by the charity but were used by other not-for-profit organisations for purposes consistent with the charity's objectives.

The properties included as programme related investments comprised:

	2023 £	2022 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

This property was valued by the trustees with professional assistance during 2015 on an open market value. Whilst rent was received during the year, no formal rental agreement was in place and the rent was below market rate.

Harmony House Dagenham is a Community Interest Company in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 25.

St John's RC School Chigwell and Pield Heath House School Uxbridge

These properties are occupied by the Sacred Hearts Sisters 1983 Charitable Fund. A license to occupy and pay an annual rental has been agreed. Further details are given in note 23.

15 Investments (continued)**b. Listed investments and cash held for reinvestment**

	2023 £	2022 £
Listed investments		
Market value at 1 April 2022	18,051,363	18,192,697
Additions at cost	1,147,171	541,825
Disposals at book value (proceeds: £2,201,370; realised losses: £38,133)	(2,239,503)	(1,090,551)
Net unrealised investment (losses) gains	(1,009,376)	407,392
Market value at 31 March 2023	15,949,655	18,051,363
 Cash held by investment managers for reinvestment	 89	 10,793
Listed investments at 31 March 2023	15,949,744	18,062,156
 Cost of listed investments at 31 March 2023	14,507,733	15,423,164

Listed investments held at 31 March 2023, all of which were dealt in on a recognised stock exchange, comprised the following:

	2023 £	2022 £
Global equity based common investment funds	14,869,565	16,992,429
Cash instruments	1,080,090	1,058,934
	15,949,655	18,051,363

Included in the investment portfolio were the following individual holdings which, at 31 March 2023 immediately prior to transfer to the newly formed CIO, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Climate Active Endowment Funds	14,869,564	93.2%	16,992,429	94.13%
Sarasin Sterling Liquidity Fund	1,080,090	6.8%	1,058,934	5.87%

16 Debtors

	2023 £	2022 £
Care fees and charges	8,290	10,464
Prepayments and accrued income	53,683	23,274
Other debtors	300,998	25,692
	362,971	59,430

Other debtors include £290,315 (2022 - £nil) being a lump sum pension receivable from a member of the Congregation as at 31 March 2023 under Gift Aid/deed of covenant.

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Social security and other taxes	10,597	12,838
Accruals and deferred income	92,782	72,060
Other creditors	76,307	24,039
	179,686	108,937

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2022 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2023 £
Overseas Missions fund	24,339	28,388	(25,155)	—	27,572

	At 1 April 2021 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2022 £
Overseas Missions fund	25,241	172,474	(173,376)	—	24,339
Covid-19 grants fund	—	18,316	(18,316)	—	—
	25,241	190,790	(191,692)	—	24,339

The specific purposes for which the funds are to be applied are as follows:

- ◆ Overseas Missions fund
This fund consists of donations specifically given to the charity to assist its overseas missionary work.
- ◆ Covid-19 grants fund
This fund comprised monies received specifically to fund Covid related costs at the Care Home.
- ◆ Other restricted funds
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes.

19 Designated funds

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2022	24,067	19,000,000	27,056	5,661,846	24,712,969
Movements in the year	(1,068)	(3,000,000)	(18,138)	—	(3,019,206)
At 31 March 2023	22,999	16,000,000	8,918	5,661,846	21,693,763

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2021	31,915	19,000,000	52,371	5,661,846	24,746,132
Movements in the year	(7,848)	—	(25,315)	—	(33,163)
At 31 March 2022	24,067	19,000,000	27,056	5,661,846	24,712,969

19 Designated funds (continued)

- ◆ Donations and mission fund
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ SSHJM Congregational fund
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations, based on actuarial methods, indicate that £21.25 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £16 million was set aside for this purpose as there are insufficient funds to provide the full £21.25 million.
- ◆ Home fund
This fund represents the accumulated funds and net current assets of the charity's residential and Care Home together with monies designated by the trustees for use by the home, excluding tangible fixed assets.
- ◆ Programme related investment fund
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 April 2022	4,468,428	4,697,584
Movements in the year	(116,419)	(229,156)
At 31 March 2023	4,352,009	4,468,428

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the home fund. A decision was made to separate this fund from the other funds 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 would be realisable with ease, in order to meet future contingencies.

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 March 2023 are represented by:					
Tangible fixed assets	—	4,352,009	3,780	—	4,355,789
Investments	—	—	21,611,590	—	21,611,590
Net current assets	1,689,342	—	78,393	27,572	1,795,307
Total net assets	1,689,342	4,352,009	21,693,763	27,572	27,762,686
Unrealised gains included above on investments (see below)					
	—	—	1,441,922	—	1,441,922
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2022	—	—	2,628,199	—	2,628,199
Less: Amount in respect to disposals in year	—	—	(176,901)	—	(176,901)
Less: Net losses arising on revaluation in year	—	—	(1,009,376)	—	(1,009,376)
Unrealised gains at 31 March 2023	—	—	1,441,922	—	1,441,922
	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	—	4,468,428	7,559	—	4,475,987
Investments	—	—	23,724,002	—	23,724,002
Net current assets	1,660,184	—	981,408	24,339	2,665,931
Total net assets	1,660,184	4,468,428	24,712,969	24,339	30,865,920
Unrealised gains included above on investments (see below)					
	—	—	2,628,199	—	2,628,199
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2021	—	—	2,286,589	—	2,286,589
Less: Amount in respect to disposals in year	—	—	(65,782)	—	(65,782)
Less: Net gains arising on revaluation in year	—	—	407,392	—	407,392
Unrealised gains at 31 March 2022	—	—	2,628,199	—	2,628,199

The historical cost of a number of the charity's tangible fixed assets cannot be quantified accurately due to their age. The trustees consider that the cost of ascertaining such historical costs would be out of proportion to the benefits to the charity. It is not possible, therefore, to quantify accurately the total unrealised gains included within tangible fixed assets.

22 Operating lease commitments

At 31 March 2023, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2023	2022
	£	£
Operating lease payments due:		
. Within one year	7,306	5,054
. One to two years	6,017	3,523
. Two to five years	7,157	1,354
	20,480	9,931

23 Related party transactions

Two of the trustees of the charity are also trustees of The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418).

During the year, the CIO donated £1,209,910 (2022 - £1,232,815) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £nil (2022 - £1,550,161) which related to the proceeds from the sale of land.

Two of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, the Charitable fund paid the CIO £9,323 (2022 - £7,246) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The Charitable Fund paid the CIO £217,500 (2022 - £290,000) in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund. During the year end 2022 the 1983 Charitable fund made a a payment of a salary for one sister who was employed by the 1983 Charitable fund of 2022 - £76,793) nothing was paid in the 2023 year end. The CIO also donated a sum of £nil to the 1983 Charitable Fund in the year (2022 - £40,800).

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2022 - none).

24 Other connected entities

♦ St Dominic's School, Hambledon

St Dominic's School, Hambledon was a registered charity (Charity Registration No. 1004590 and Registered Name - The Congregation of Religious Women Known as the Sisters of the Sacred Hearts of Jesus and Mary).

The charity owned a freehold property in Hambledon Surrey, which was leased to Orchard Hill College Academy Trust, which operates a non-maintained weekly boarding and day school for pupils of average intelligence but with special needs on the site.

St Dominic's School, Hambledon was dormant but, as stated above, retained the ownership of the land and buildings occupied by the School, however as part of the transfer from the Sacred Hearts Sisters 1983 Charitable Fund, a general vesting document, dated 1 April 2019, was prepared transferring the ownership of the property to the newly formed CIO.

24 Other connected entities (continued)

- ◆ Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales))

Harmony House Dagenham Community Interest Company works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough.

The Community Interest Company operates from premises which were owned by the charity during the year rent was charged at £10,000 (2022 - £33,750).

The charity made a donation to the Community Interest Company of £2,576 (2022 - £11,481) during the year.

25 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

26 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the 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.

27 Post balance sheet event

On 1 June 2023 the charity received an unrestricted donation of €2,183,809 from The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418). The trustees will use these funds to cover donations made by the charity towards the costs of the Irish Trust in recent years, and to continue the support of the ongoing work of the Irish Trust for the future.

Accounts

**Sisters of the Sacred Hearts
of Jesus and Mary CIO**

Annual Report and Accounts

31 March 2022

Charity Registration Number
1179804

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

Trustees	Sister Catherine Collins (resigned) Sister Kathleen Corbett (resigned) Sister Nora Emperor (resigned) Sister Eileen McLoughlin (resigned) Sister Mary Mangan (resigned) Sister Lorna Walsh (resigned) Sister Julie Rose (appointed) Sister Mary Dargie (appointed) Sister Elizabeth Mooney (appointed) Sr Mwalula Yvonne Mwila (appointed) Sr Trinitor Putapo (appointed) Sr Elizabeth Dawson (appointed) All the above resignations and appointments took effect on 2 February 2022
The Superior General	Sister Mary Mangan (to 2 February 2022) Sister Julie Rose (from 2 February 2022)
The Canonical Secretary	Sister Kathleen Corbett
The General Treasurer	Sister Catherine Collins (to 2 February 2022) Sister Elizabeth Dawson (from 2 February 2022)
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	1179804
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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

Investment managers	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Insurance Brokers	PIB Insurance Brokers Limited Poppleton Grange Low Poppleton Lane York YO26 6GZ

Report of the trustees Year to 31 March 2022

The trustees present their report together with the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the “charity”) for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 39 to 45 and comply with the charity’s constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 103 (112 - 2021) sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The Sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

“Joyful co-creators sharing God’s unconditional love in our wounded world”

*“We, the Sisters of the Sacred Hearts of Jesus and Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God.”*

The accounts accompanying this report are the accounts of the charity through which certain of the net assets of the Congregation in England, Wales and Scotland are administered.

Mission

The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ Health (including caring for members of the Congregation)
- ◆ Education (including education of our own sisters and education within our overseas outreach)
- ◆ Pastoral ministry
- ◆ Overseas outreach

Activities, achievements, specific objectives and relevant policies

Health

The Sisters of the Sacred Hearts of Jesus and Mary CIO operates one care home in the United Kingdom.

Marian House Care Home

Marian House was officially opened by Cardinal Hulme on the 11th February 1988 in response to the increasing care needs of frail, elderly Sisters of the Sisters of the Sacred Hearts of Jesus and Mary CIO, who both own and manage the residence. It is a modern, purpose built Care Home, situated in Uxbridge, Middlesex. Marian House welcomes Sisters of others Religious Congregations as well as its own members. Priests from the local parish visit the home twice a week to say Mass.

Marian House Care Home is a residential care home structured to meet the needs of religious sisters who have retired from missionary work in the UK and overseas and in need of care support due to frailty and cognitive impairment. Marian House also accommodates other elderly who want to live in a religious environment to practice their faith and beliefs.

The home is managed by a Registered Manager who is supported by two team leaders. Marian House currently has no deputy manager due to current occupancy level. The role of the deputy manager might be considered when the home is fully occupied.

The home also employs a senior care worker, Level 2 carers, support workers, administrator and finance officer, laundry and domestic staff, full time caretaker, chef/cook, assistant chef and kitchen assistants.

The home manager reports to Sr Elizabeth Mooney, trustee. The team leaders, administrator, finance officer, caretaker and chef/cook report to the home manager. All senior and level 2 carers report to the team leader. Further advice or concern in relation to the care home is provided by a registered provider who in turn liaises with the trustees.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

Marian House works alongside the London Borough of Hillingdon. Currently the London Borough of Merton is responsible for funding one of the service users. The home is also working very closely with the local NHS hospitals and healthcare services which help to provide additional advice and support in relation to the service users' care and general wellbeing as well as staff training as required. The home has a community matron appointed by Hillingdon who offers support and visits the home, she is under the Care Home Support Programme organised to minimize hospital admission.

All sisters have been fully vaccinated against Covid and 98 percent of the staff have been fully vaccinated against Covid, we are pleased to report that infection rates within the home are very low.

There have been no recorded or reported safeguarding issues or complaints.

Marian House is regulated by Care Quality Commission (CQC), which inspects the Home as and when due and necessary. CQC responsibility is to inspect the home and to confirm that the service provided in the home meets with the requirements of all current legislation and that the service users are treated with dignity and respect. It also ensures that the care given is person centred and confirms that the care is provided in a safe environment. CQC also advises the home when required.

Due to the pandemic, CQC suspended the routine inspection programme in March 2020 but used both a mix of onsite and off-site monitoring to ensure the public have assurance as to safety and quality of care. The home had an off-site inspection by CQC on the 12 January 2022. All 5 domains were assessed but not rated. However, the Home remains rated as "GOOD". CQC has now requested the home to complete a Provider Information Return which was completed and submitted on 23 June 2022.

Hillingdon Quality Assurance (QA), responsible for provisions on care has been supporting the home. An appointee from QA visited the home for spot check monitoring on the 26 May 2022 - no concerns were raised. Any areas of recommendation have been implemented.

Staff training at Marian House Care Home

Marian House has received approval from CQC in relation to the structure/layout of the building. St Mary and St Francis units can now be use as independent living for those sisters who do not require care support and these changes will be implemented over time.

All staff are now able to use computers to complete online training, 95 percent of staff training has been achieved.

The team leader is now at the completion stage of level 5 training in Health and Social Care while another senior member of staff is starting her level 4 training programme.

Staff recruitment at Marian House Care Home

There were a number of vacant positions and it is hoped that new staff will be employed to fill the positions.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

Previously recorded future plans and targets of Marian House Care Home

To achieve an Outstanding or Good CQC rating and to improve the home occupancy level.

Impact of Covid 19 on Marian House Care Home

Thankfully the home has felt very little impact from Covid 19 throughout 2021-22. The biggest area of concern on occasions has been in respect to the shortage of staff on duty due to positive Covid 19 cases. This in turn has meant an increase in staff costs, as overtime has been needed to cover for absent staff.

Education

Over the last number of years, the trustees have put great emphasis on improving the academic qualifications and developing the leadership skills of our sisters throughout the world. This has involved a number of sisters upgrading their present qualifications in-country and travelling to other countries for Formation and Leadership training. Some sisters have gone to other countries in Africa and also come the UK and the Philippines to follow courses, and this has greatly benefitted the Congregation as a whole. We also support education as part of our overseas outreach work and this is highlighted under a separate heading below.



Sister Marissa is studying and taking part in 'on-the-job training (practical experience) in our PT/OT Rehabilitation Wellness Center, Cebu , Philippines.

Regardless of the recent difficult times we still have inspiring news that in the middle of the pandemic our courageous sisters did well in their studies. Sisters Marissa has now graduated.

Pastoral Ministry

Practically all of our ministries are pastoral in nature. The aims of the trustees in this area are to enable and encourage members of the Congregation to carry out much needed social and pastoral work within the local community. The objective being to motivate sisters to work and assist in any way the poor, elderly, sick and marginalised. Sadly, like many other religious congregations our age profile reflects that over two thirds of our Congregation are over seventy. However, the majority of sisters (even those in their 80's) are still very active in the area of pastoral ministry, providing a very valuable service to those in need.

Many of our "retired" UK and Irish sisters continue to be involved in hospital and care home chaplaincy, school governorship (including schools other than our own), parish ministry which includes visiting hospices, hospitals, the sick and housebound, homeless centres and our own convents by continuing to care for less able retired sisters.

Activities, achievements, specific objectives and relevant policies (continued)

Pastoral Ministry (continued)

In other areas of ministry our sisters are involved with catechesis, teaching English as a second language to immigrants trying to get jobs or applying for citizenship in the UK/Ireland, organising prayer groups and supporting travelling people who are being discriminated against at every level of society. We also have a few sisters assisting in the administration of the charity, ensuring we are moving forward and adapting to change.

Unfortunately, due to the Covid-19 pandemic, the majority of our pastoral ministry had to stop as a result of lockdowns and shielding. However, throughout the Congregation the sisters adapted and supported those most vulnerable through prayer and online communication tools where possible and recommenced, where possible, their local ministries when lockdowns were lifted, and it was safe to do so when infection rates were low, whilst ensuring the sisters were safe and adhering to Covid-19 safety precautions.

Domus Mariae Retreat and Conference Centre

The centre provided a meeting place for groups who wish to utilise the quiet space and facilities for workshops and retreats, prayer and reflection and a regular meeting place for local groups.

However, as a result of the pandemic all activities in the Domus Mariae Retreat and Conference Centre had to stop once the country went into lockdown in late March 2020. Since then, the decision was made to review the facility and its need for extensive modernisation and it was agreed by the trustees not to take over-night bookings anymore. It was also decided to ensure the safety of those sisters resident in Chigwell community (attached to the Retreat and Conference Centre) that it be closed indefinitely whilst Covid-19 was still prevalent in the community. The facility remained closed throughout 2021 to 2022 apart from being used by the local diocese for one meeting and used by the council for local election voting on one occasion.

St Augustine's Priory House of Prayer



St Augustine's Priory House of Prayer, offers a quiet and peaceful space for those wishing to deepen their relationship with God, or who are seeking to become more aware of God's presence in their daily lives. All that is offered to people from all denominations and those of no faith looking for rest amidst the busy-ness of everyday life. It offers residential and non-residential accommodation depending on the needs of the people, some of whom may have special needs. Throughout a normal year there is a busy calendar of events such as: Individually Guided Retreats; Private Retreats; Preached Retreats; Creative Retreats; Walking Retreats; Youth Retreats; and space for quiet holiday breaks. Mindfulness and retreats for those living through cancer have seen an increase in interest in the past few years along with our Walking and Contemplative Retreats, so we look to offer more of these in planning our future programmes.

Activities, achievements, specific objectives and relevant policies (continued)

St Augustine's Priory House of Prayer (continued)

Some groups wish to bring their own Spiritual Director or facilitator. However, the centre had a resident Sister who is a Spiritual Director (until February 2022) and a team of non-resident Spiritual Directors who can be called upon to assist with spiritual accompaniment.

Along with retreats and days of prayer, St Augustine's also provides opportunities for the local community to use its facilities. The centre asks for offerings for its day and meeting room use and retreats/quiet holidays but these are kept low intentionally so that they are affordable for those with low incomes.

Unfortunately, as a result of the Covid-19 pandemic, the House of Prayer had to close in line with all hospitality venues in late March 2020 and was unable to re-open until June 2021. Since June 2021 we were gradually able to increase our bookings over time, whilst ensuring restrictions were followed regarding social distancing and necessary covid precautions.

As a result of the lockdowns and necessity to cancel bookings in 2020/21, we adapted and became more technically able, we connected with the Congregation online and managed to join various events and conferences online that we might not have had the time to join if we were operating as normal. This allowed us to develop online retreats and spiritual accompaniment through online facilities to the public. Not only were we connecting with people who had visited us in the past, we were also managing to connect to people from all over the world offering them online individual guided retreats, contemplative retreats and individual accompaniment online.

Justice and Peace

The Justice and Peace Centre continues to offer its IT expertise to the sisters and their helpers to produce materials needed for their ministry. Incorporated in the Justice and Peace Centre is a "communication hub" from which webinars are conducted so that members of the Congregation can stay connected with each other and through which they are encouraged to share ideas and experiences in their ministry. Due to the Covid-19 pandemic the Centre became much busier with ensuring the Congregation remained connected in more ways than ever before. All communities became much more "tech" savvy and we are very thankful for the work undertaken by Sister Anne who helped us develop our online resources throughout the Congregation.

Along with publishing the quarterly magazine "Keeping in Touch" which is available on our website, the Centre continues to assist in the development of the Sacred Heart Companions Programme. The Centre also supports the Romero Trust by printing their newsletter. The Romero Trust is a group supporting justice in El Salvador, which was an area we were very involved in over the last few years.

Activities, achievements, specific objectives and relevant policies (continued)

Sacred Heart Companions

As we began to emerge from Covid restrictions our Sacred Heart Companions have become more active in many areas.

- ♦ **Uganda** – Here there is a very vibrant group in Mukono. The group meets regularly to pray together. Members also support children and young people with special needs visiting them in their homes. The Group's activities are shared with the rest of the Companions in the letters that are sent from Chigwell on a regular basis.
- ♦ **Cebu, Philippines** – The groups here have only recently begun to meet again due to the Covid restrictions in-country. At present they meet for prayer in small groups but ministry has not yet begun again.
- ♦ **El Salvador** – There is only one group now but its members meet regularly to pray for peace in their country which is one of the most violent in the world!
- ♦ **UK** – The Herne Bay group members now meet for a Holy Hour Weekly in the Convent Chapel. They are a great support to our overseas missions but of course fundraising at present is rather restricted! The number of Companions in The Worksof group has decreased due to age and sadly in some cases death. The Barrhead, Scotland group meets very regularly and is a very vibrant group! One of their members celebrated her 100th birthday recently. Flowers were sent to her from the group.

The Coordinator sends letters to the groups almost monthly especially for feasts of the Congregation. Materials are also sent to each group to support their prayer times together.

Sadly we have not been able to hold large gatherings yet as in the past. We hope to resume this soon!

Victor Braun Federation

The Federation obtained pontifical right on 4 July 2003, The Victor Braun Federation, comprises three Institutes which all stemmed from the same foundation by Father Peter Victor Braun in Paris 1866. Three Congregations (ourselves based in the UK, Soeurs Servantes du Sacré-Coeur de Jésus – France, and Dienerinnen des heiligsten Herzens Jesu – Austria) joined together to become the Federation. We meet regularly and our mission is supported through this link. All three Congregations share a desire to remain connected (hence the sharing of the Federation house in St Avoild). Even though we bring our own culture, personalities and our individual uniqueness, we are united by our founder Father Victor Braun.

Overseas Outreach

The charity supports the sisters' ministries in the following countries: El Salvador, The Philippines, Uganda and Zambia and we have one Sister living and working in California, working within health care and pastoral work for the local diocese.

Some of this work has been funded by one of our long-standing supporters T&J Meyer Family Foundation, partner and donor of the Congregation's missionary development work. T&J Meyer Family Foundation (TJMF) has supported the Congregation for over 10 years and has provided more than £1 million in support of SSHJM missionary projects, this funding ended following the final 2-year SSHJM programme spanning January 2020 – December 2021, valued at £60,000 per annum, supporting five SSHJM projects in Zambia, Uganda, and the Philippines.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

2021/22 was another year of great challenge and disruption globally due to the Covid-19 pandemic. Whilst the severity of impact of the pandemic varied, no country was spared the health and economic repercussions. Of all the SSHJM mission countries Zambia was spared the strictest lockdowns, restrictions were present intermittently, but the T&J Meyer Family Foundation (TJMF) funded projects could, by and large, be implemented as planned across 2021. Uganda on the other hand only lifted many restrictions in January 2022, 22 months after the initial outbreak of Covid-19, thus the TJMF 2021 project year was once again unfortunately disrupted. Finally, the most severe lockdowns and restrictions were experienced in Cebu in the Philippines, where many institutions including schools and centres are yet to reopen. However, in 2021/22, as was the case in 2020/21, SSHJM was nimble, committed, and adaptive in its programming as evidence by the project highlights per country below. TJMF projects were implemented successfully, producing wide ranging and impactful results to the benefit of some of the most vulnerable in society, particularly at a time of deep recession in many countries due to the global pandemic.

Bauleni Special Needs Project (BSNP), Lusaka, Zambia

- ◆ 7,250 people reached in rural and urban zones via disability inclusion sensitization. Parents use the knowledge acquired to identify disabilities in children early, resulting in increased number of children with special needs in homes receiving timely intervention, including home-based education.
- ◆ New and old caregivers were (re)trained in basic physiotherapy meaning children with disabilities received physiotherapy in their homes, as many cannot access centre based or institutional care.
- ◆ Fortnightly routine home visits were conducted through the home-based education programme targeting reaching 100 children in rural zones and 83 children in urban zones. Through the routine visits it was evident that the children have gained many new skills, many had shown steady progress, and this has improved the quality of life for both the child and the whole family. Most of the children now can feed themselves, sit on their own without support, while others are able to walk with minimal support indicating that the home-based care and education continues to have a positive impact on the children.
- ◆ 30 rural children with epilepsy received life enhancing and lifesaving drugs in a regular and timely manner. The children with epilepsy have easier access to drugs, the children have fewer or no seizures. In addition, the children and family members have improved quality of life and there is a change of attitude towards epilepsy among community members.



Activities, achievements, specific objectives and relevant policies (continued)

Households in Distress (HID) Programme, Mbala, Zambia

- ♦ HID supported 181 (103 boys and 78 girls) Orphans and Vulnerable Children (OVC) (102 in primary school and 79 in secondary school) by paying for school fees and buying educational materials. Educational support was also provided to an additional 50 OVC via the money raised from the HID mealie meal income generating activity supported by TJMF. The educational support given to children has contributed to increased literacy levels among OVC in Mbala district
- ♦ 93% of people living with HIV/ AIDS (PLWHA) received medical treatment and have reported reduced incidents of opportunistic infections in communities. They attributed their improved health to the medicines provided by HID with financial support from TJMF.
- ♦ HID was also able to provide continuous accompaniment to 297 economically empowered PLWHIV in their livelihood endeavours, resulting in increased household income for 208 out of 297 PLWHA enrolled on the project.
- ♦ Throughout 2021/22 HID ensured that the wellbeing of the OVC at Sunsuntula Orphan Day Care Centre was maintained. Balanced meals were provided for 6 days a week to 222 OVC at Sunsuntula Orphan Day Care Centre, and 96% reported with improved health status.



Children in Need (CHIN), Mukono, Uganda

- ♦ 300 children with disabilities were identified, assessed, and counselled, and 70 children with special cases were referred to specialist services.
- ♦ 40 parents of children with disabilities equipped with knowledge in disability issues and community rehabilitation basics.
- ♦ 10 households equipped with disability adopted services including ramps, modified seats, toilets etc. which have greatly improved the mobility of CWDs within their homes.
- ♦ 75 beneficiaries were trained and acquired knowledge and skills in tailoring. 31 youths with disabilities trained and acquired knowledge and skills in carpentry.
- ♦ Saving and credit schemes have enabled members to start new businesses while others added capital to boost their already existing businesses.
- ♦ 20 households equipped with hand washing tippy taps and hand washing soap which has enhanced personal hygiene and communal sanitation within households.



Activities, achievements, specific objectives and relevant policies (continued)

Women and Children First (WACFO), Pabo, Uganda

- ◆ 35 children (15 females and 20 males) with different disability types benefited from physiotherapy support provided at Guadalupe House to the benefit of the community around Pabo Town Council and the neighbouring villages.
- ◆ The Winifred Tyrell Training Centre crèche has been completed. The creche currently accommodates children whose mothers are enrolled and undergoing training in Winifred Tyrell Training Centre. This creche is helping mothers, it allows them concentrate on their studies, and it allows for routine breastfeeding. Equally, it provides the children with a good conducive caring environment free of any danger.
- ◆ Renovation of three classrooms in Victor Braun inclusive school.
- ◆ 20 youth with different disability types received 3 months intensive training throughout 2021 on tailoring, garment cutting and design, and carpentry. WACFO could not enrol anymore learners due to the Covid-19 SOPs in place.



Cebu, the Philippines

Due to the inability to physically gather children together to learn in SSHJM pre-schools due to Covid-19 restrictions, SSHJM continued to adopt and implement a blended learning approach. Blended learning is a combination of modular and online classes. Printed modules and instructional materials are distributed to parents each week, which they return completed at the end of the week. Teachers conduct virtual classes once a week to children who has access to the internet allowing them to manage and monitor the children's progress. TJMF funds continue to support the roll out of modular learning.



- ◆ Improved educational progression among the 145 children who attend SSHJM Pre-school's improving educational outcomes. Parents/ guardians are engaged in and recognise the importance of early childhood care and development and are empowered with knowledge and skills regarding the critical role they play.
- ◆ SSHJM Rehabilitation Centre continues to offer physical and occupational therapy for those with special needs and vulnerable elderly adults.
- ◆ SSHJM Sisters and social workers are conducting regular home visits to each former Victor Braun student to provide relief packs like food, canned goods, rice and other basic needs for the families in order to know how this pandemic affected their everyday living.

Activities, achievements, specific objectives and relevant policies (continued)

Exit from El Salvador

Whilst we still have a sister living in El Salvador, our involvement in the El Mozote project came to a natural conclusion in September 2021 resulting in the Congregation's programmatic withdrawal from the project. This exit concluded the Congregation's long and highly impactful involvement in the El Mozote fight for justice. The El Mozote project and all its achievements over many years in supporting victims was immense, and a huge debt of thanks extends to the Project Team and we wish them well in the next chapter of their careers. Equally, our partnership in El Salvador with grassroots organisation CEBES in Perquín ended, we also wish them well in the future.

Supporting our sisters and locals in The Philippines, following Typhoon Odette (Typhoon Rai) (December 2021)

Extract from our "Keeping in Touch" Magazine – January 2022

On December the 16th 2021, Typhoon Odette devastated the Visayas (a region in Cebu) of the Philippines. The death rate still has not been confirmed and the last we heard there were over 400 with many persons still missing. Of course many, many more were injured and traumatized by the event.



Sister Marissa helping with emergency food distributions to the elderly.

Even now after nearly a month there are still areas in Cebu that have no running water or electricity. The telephone and internet connections were damaged and difficult to find. This made communications with the outside world and, in particular, with our own Sisters in Chigwell very difficult.



As all these connections were damaged, the government has asked assistance from Luzon (another island of the region) to assist in restoring electricity for the whole region.

Activities, achievements, specific objectives and relevant policies (continued)

Supporting our sisters and locals in The Philippines, following Typhoon Odette (Typhoon Rai) (December 2021)

Extract from our "Keeping in Touch" Magazine – January 2022 (continued)

Here in Basak Convent, our electricity was only restored last Saturday the 8th of January in the evening. We previously had to wait in line for drinking water and gasoline among other essential items.



We were able to distribute some food packs like, rice, noodles and canned goods but these were very limited and depended on what was donated, what was available in the shops and what we could afford.



Sr. Odette and helpers giving food donations to the children who live in "LUDO" cemetery.

Visiting the sick in the hospital



Activities, achievements, specific objectives and relevant policies (continued)

Supporting our sisters and locals in The Philippines, following Typhoon Odette (Typhoon Rai) (December 2021) (continued)

Extract from our Spring 2022 “Keeping In Touch” Magazine

Along with the help in distribution and support from our Sacred Hearts Companions working alongside our own sisters we managed to send funding to help supply building materials and food to those most in need.



Our Sacred Heart Companions helping Sr. Anne sort out the materials for the families who were badly affected by typhoon Odette.

They are bound for Argao in the southern part of Cebu.



We thank you for the constant flow of parcels that arrive without many people knowing from where or from whom, but we know our sisters in the congregation keep us ever in their hearts and minds.

Investment policy

The charity's investments at 31 March 2022 were managed entirely by Sarasin and Partners LLP. In 2018 the trustees made the decision to follow Pope Francis' lead in "Caring for the Earth" by moving the full portfolio of investments to Sarasin's Climate Active policy which offers a timely multi-asset investment solution for charities concerned by increased climate risk and who want to play a part in driving behavioural change. There are no restrictions on the charity powers to invest.

The investment strategy has been set by the trustees and it takes into account income requirements, the risk profile and investment managers' views of the market prospects in the medium term.

Although the positive nature of the fund is to invest with other like-minded charities concerned about the future of the earth, the policy has, and will continue to, require total return through a diversified portfolio whilst providing a level of income advised by the relevant trustees. There is also an ethical investment policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

Activities, achievements, specific objectives and relevant policies (continued)

Investment policy (continued)

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees, meeting annually with the investment managers to discuss performance and the future outlook of the fund.

Future plans

The General Chapter took place in late 2021. New Acts of the Chapter have been produced and will be implemented over the new trustees' term of office.

The trustees will be looking at the development of Marian House Care Home with a plan to increase occupancy and consider altering the layout of the home so that those sisters who do not require much care form a larger community attached to the home as assisted living accommodation.

In Uganda the sisters are looking at development of the project in Pabo and also are working hard on water harvesting in Mukono.

In Zambia the sisters are looking at the development of their work with children and young adults who are deaf and blind. The work carried out so far in Balueni in this area is held as a beacon throughout Zambia in its achievements to date. The charity hopes to fund this work further.

The sisters are also looking to develop the bakery in Bauleni. This has been out of use for the last few years, but with the help of some of wonderful donors, the sisters are planning to refurbish the bakery to assist in the sustainability of the project and to help feed the poor children it supports. The charity will support this.

In Cebu, Philippines the sisters are opening a new community closer to their project and to accommodate more sisters. The project there is developing in supporting children and young adults with special needs. The charity will look to assist with funding.

Financial review

Results for the year

A summary of the year's results can be found on page 36 of this report and accounts.

The statement of financial activities shows net expenditure and a decrease in funds during the year of £321,050 (2021 – increase of £3,050,404) with total income amounting to £3,795,029 (2021 - £4,852,012) and expenditure totalling £4,534,830 (2021 - £4,935,458).

Total income includes £261,360 (2021 - £218,014) generated by the residential care home.

Other categories of income include investment income and interest receivable and donations and legacies. This latter category includes the salaries and pensions of individual members of the Congregation which are donated to the charity either by deed of covenant or by gift aid.

Financial review (continued)

Results for the year (continued)

Total expenditure comprises expenditure on the residential and care home of £974,491 (2021 - £1,004,293). The major part of the expenditure on the Home is staff costs which totalled £706,234 (2021 - £715,507) representing payments to the Home's staff. Other expenditure includes the personal and living costs of the members of the Congregation and their ministry, donations paid and the costs of administering and managing the charity. The charity made donations of £1,232,815 (2021 - £1,180,588) to its connected charity in Ireland, the majority of which were used to assist with the ongoing living and care costs of sisters in Ireland along with support of the Irish Charitable Trust and its governance.

Deducting expenditure from income for the year gives a net expenditure figure for the year before investment gains of £739,801 (2021 – net expenditure of £83,446).

Investment performance

The charity's listed investments increased in market value during the year. An income yield of 2% was achieved, whilst the capital yield was positive 2% reflecting a small gain after the initial losses suffered after the outbreak of covid 19 and the impact on markets in early 2020 and the outbreak of the war in Ukraine in February 2022. The investments were managed in accordance with the trustees' investment policy and with the ethical guidelines given to them.

Net gains on listed investments during the year amounted to £418,751. A significant rally from the losses suffered in the financial year ending in March 2020 but a decrease in gains from the gains achieved in the year ending 2021. We are assured by our investment advisors that growth will continue into 2022/23 however we are mindful of the fact it will be much slower and at a much lower level whilst companies adjust to the impact of the cost of living crisis, high inflation and predicted interest rate rises.

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need 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 going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet showed total reserves of £30,865,920 (2021 - £31,186,970).

Included in this figure was an amount of £24,339 (2021 - £25,241) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 19 to the accounts, together with an analysis of movements in the year.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

An amount of £24,712,969 (2021 - £24,746,132) has been designated, or set aside, for specific purposes. Of this £19 million (2021 - £19 million) represented the SSHJM Congregational Fund, which had been designated to provide for sisters in their retirement. This fund, set aside to provide for the sisters in their retirement, none of whom have resources of their own, was re-assessed during the year. The calculations, based on actuarial methods, indicated that £21.96 million needed to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. At 31 March 2022 £19 million had been set aside for this purpose as there are insufficient funds available to provide the full £21.96 million needed.

The care home fund totalled £27,056 (2021 - £52,371). The Home's element of these funds are extremely low reflecting the high ongoing costs of providing care for the elderly sisters of the Congregation, where funding levels provided by statutory authorities fall substantially short of those required if services are to be maintained at the high levels of quality rightly demanded by residents and the sisters. Until such funding issues are resolved, the broader work of the charity will be required to continue to support the home with contributions from the charity towards the cost of caring for sisters.

The programme related fund at £5,661,846 (2021 - £5,661,846) represented the book value of those freehold properties occupied by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives.

The tangible fixed assets fund totalled £4,468,428 (2021 - £4,697,584) and was represented by those tangible fixed assets not financed out of restricted funds or included under the home fund.

Funds which were available to support the work of the sisters in the future i.e. the general funds totalled £1,660,184 (2021 - £1,718,013) and fell within the parameters of the charity's reserves policy.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation and to secure a good skills mix among them. Each community is governed by a Superior Leader or Council with shared responsibility. The Congregational Leader or her delegate is required to visit each community at least once every two years and there is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the sisters of the Congregation.

Governance, structure and management (continued)

Governance (continued)

In terms of Civil law, the charity is governed by a Constitution dated 4 September 2018 and is a registered charity, Charity Registration No. 11798804. The trustees of the charity are the six members of the Leadership Team. As all trustees are members of the Congregation they have a detailed knowledge of the work which the charity will carry out with effect from 1 April 2019 and of its structure. On being appointed, new trustees will spend some time with those trustees leaving office. Once the charity is operational, they will also meet with the Congregation's legal, accounting, investment and property advisers in order to obtain a full briefing of their responsibilities and the charity's position and attend appropriate study days.

According to the Constitution the number of trustees shall not fall below five. The initial trustees are – The Congregational Leader, four Team Members and the General Treasurer.

During the year all or some of the trustees attended:

- ◆ The Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Formation programmes for enhancing our own Formation Programme with a view to capacity building within the Congregation and charity
- ◆ Trustee training sessions put on by:
 - ◆ Buzzacott LLP
 - ◆ Sarasin & Partners LLP
 - ◆ DE Ford, Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Catherine Collins (resigned 2 February 2022)

Sister Catherine entered the Congregation in February 1964. After qualifying as a teacher in 1971, she taught children with special needs in Pontville, Ormskirk, Lancashire for three years. In 1975 she was assigned to a teaching position at Lwitikila Girl's Secondary School in Zambia, becoming principal of the school for her last three years there. From 1987 until 2002 she ministered in California, teaching in the Sacred Heart Elementary School from 1987 to 1997, after which she went to St Louis University to study at the Institute for Religious Formation. From 1998 Sister Catherine worked in the Regional Office of the Congregation in California until 2002 when she was appointed Congregational Leader, a position she held until 2008. After a short period in the Philippines she was appointed General Treasurer in January 2012.

Governance, structure and management (continued)

Governance (continued)

Sister Kathleen Corbett (resigned 2 February 2022)

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Sister Nora Emperor (resigned 2 February 2022)

Sister Nora entered the Congregation in September 1967. She trained as a cook following the City and Guilds course at Guildford College, Surrey. After completion of the course she worked in St Dominic's School, Hambledon, Surrey and later went to work in The Jane Hodge Residential Care Home in Cardiff. When Marian House Nursing Home was opened in 1988 she was appointed to organise the kitchen. She remained there until 1994 when she was missioned to Zambia, Africa.

Sister Nora was trained as a Formator at the Kalundu Study Centre, Lusaka and for the next twelve years worked in the Formation programme of our newer members both in Zambia and in the UK.

On her return to Zambia in 2006 she was appointed co-ordinator of Sunsuntula, the Day Care Centre for children orphaned by the AIDS epidemic. She remained at the Centre in Mbala until she was elected to the Leadership Team in August 2014.

Sister Eileen McLoughlin (resigned 2 February 2022)

Sister Eileen entered the Congregation in 1976 having trained as a Primary School Teacher in Glasgow, Scotland. She taught initially in Cranleigh Residential School for Children with special needs and then for nine years in St John Fisher Primary School in Loughton, Essex.

In 1999 Sister Eileen became the Vocations Promoter for the UK and Ireland before being assigned to Colombia in 2003. There she initiated a programme for young people and adults with special needs in a very poor part of Bogota. Sr. Eileen returned to England in 2002 and later become part of the leadership team in 2008 and is still a member of the present team.

Governance, structure and management (continued)

Governance (continued)

Sister Mary Mangan (resigned 2 February 2022)

Mary Mangan was born in Ireland in 1943. She is a teacher by profession having qualified in 1967 and with twenty three years' experience between the classroom and Principal of Schools. She was instrumental in handing over a school to another body that carried on the educational work. In 1990 she went to Ireland to develop a service for children/adults with Intellectual Disability – to de-institutionalise the service and set up a community based service.

During 1996 – 2002 she served on the Congregation's Leadership Team. In 2002-2003 she took a Sabbatical. During 2003 – 2010 she worked with an NGO Ruhama in Dublin, Ireland with women affected by prostitution and women trafficked for sexual exploitation. She retired in 2010 but continued to raise awareness around human trafficking and was influential in setting up an inter-congregational group of religious in Dublin, Ireland to raise awareness against Human Trafficking. She was a member of the Core Group of a Religious European Network against Trafficking Exploitation. She was also involved in spiritual direction ministry. Throughout her career she kept abreast of human development and spiritual growth programmes. In 2014 at the Congregation's General Chapter she was elected Congregational Leader of the Sisters of the Sacred Hearts of Jesus and Mary.

Sister Lorna Walsh (resigned 2 February 2022)

Sister Lorna joined the Congregation in 1966. She had trained as a teacher at Notre Dame College, Liverpool before joining the Sisters. She taught in St Dominic's Primary School, Homerton and then in St John's Open Air School and when the school closed she went with the students to St Dominic's School, Hambledon as Deputy Head. While at St Dominic's, Sister Lorna obtained a BSc from the Open University and in 1976 went to Sacred Heart School, Dagenham as a Science Teacher. She was appointed as Head of Science. When Sacred Heart School merged with Bishop Ward School to become All Saints School, Sister Lorna was appointed as Head of Science for the combined school. In 1990 Sister Lorna was elected to the Leadership Team as Councillor and served for six years until 1996. She then moved to California and worked in low cost housing with the Sisters of Mercy becoming a Senior Manager and working with the homeless population of San Francisco. In 2014 she returned to the UK and was elected onto the Leadership Team.

Sister Elizabeth Dawson (appointed 2 February 2022)

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, Chigwell, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

Governance, structure and management (continued)

Governance (continued)

Sister Elizabeth Dawson (appointed 2 February 2022) (continued)

After completing her term of office in August 2014 Sr Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters..

In March 2022 she was appointed Treasurer General and returned to live in the Chigwell Community.

Sister Mary Dargie (appointed 2 February 2022)

Sr. Mary Dargie entered the Congregation in 1997. She trained in Nursery/Infant and Special Education at Digby Stuart College, Roehampton from 1972 – 1975. During her teaching career, before entering the Congregation in 1997, Sr. Mary Dargie taught Reception aged children in a Mainstream Primary School; children from Itinerant families in Ireland; Primary and Senior students in 2 Special Schools; and young adults with learning and physical disabilities in a Residential Home. Since entering the Congregation Sr. Mary Dargie has set up a Pre-School in Zambia; set up a Physiotherapy and Occupational Therapy Centre in The Philippines and has had a limited experience of the work the Sisters undertake in El Salvador. On returning to the UK Sr. Mary Dargie administered a Parish in Sheffield prior to setting up the Congregation's House of Prayer in North Wales in 2010 where she was in post at the time of her election to be Assistant Congregational Leader at the General Chapter 2021.

Sister Elizabeth Mooney (appointed 2 February 2022)

Sr Elizabeth entered the Congregation in 1969. Previously she had worked as a bookkeeper with Fayle & Co, Birr for three years after completing a one year commercial course.

After finishing the noviciate, Sr Elizabeth undertook her Registered Nurse training at Wigan Infirmary and was assigned to St Winifred's Hospital, Cardiff, for seven years before doing Midwifery training at Our Lady of Lourdes Hospital, Drogheda, Ireland. Sr Elizabeth spent one year in South Uist, Daliburgh Hospital, before being assigned to Sacred Heart Hospital Cork where she worked as Midwife in charge until being asked to go to Zambia, Chilonga Mission Hospital. After four years in Chilonga Sr Elizabeth was asked to move to Ndola, Zambia, as co-ordinator of the Home Based Programme where she stayed for fifteen years. In 2008 she was transferred to Lusaka, Zambia, where she was involved in administration work for the Congregation and Zambia Association of Sisterhoods. Sr Elizabeth was appointed to the Congregational Leadership at the Chapter in 2021.

Governance, structure and management (continued)

Governance (continued)

Sister Mwalula Yvonne Mwila (appointed 2 February 2022)

Sr Yvonne entered the Congregation in 1997 after completing her secondary education. During her second year of the Novitiate, she did some studies in NVQ (Further and Adult Education Teacher's Certificate Stage one and two and Certificate in Learning Support (Classroom assistant) at Uxbridge College from 2000 to 2001. After making her first Vows she was missioned to El Salvador, where she continued with her studies at the University of Central America and obtained a Diploma in Special Education. She worked in El Salvador for 5 years. While in El Salvador, she helped to set up a Special Needs Unit in a local school. Yvonne returned to Zambia in 2006 and went to college to study and obtained a Certificate in Primary Education and St. Charles Lwanga Teacher Training College. Having completed her training, she was missioned to 'Mbala – Zambia to work in the SSHJM -Households In Distress (HID) Programme an HIV and AIDS Prevention and Management Project where she worked as an Orphan and Vulnerable Children (OVC) Education Coordinator. Yvonne was employed by the government after one year to teach in the special school in 'Mbala.

While in 'Mbala, she pursued her Bachelor of Science in Project Management – BScPM in 2012. She continued working in the SSHJM -HID Programme and in the government school. As an OVC Education Coordinator, she set up a Chele Community School, now a Primary school and Victor Braun Special School. She holds Post Graduate Diplomas in Monitoring and Evaluation and An International Postgraduate Diploma in Management Studies and in 2014, she gained her MA in Business Admiration. She has been running the SSHJM -HID Programme as a Country Representative for the past 6 years and was Director for Bauleni Special Needs Project for 4 years.

Sr Yvonne was elected as one of the Councillors at the Chapter in 2021, prior to her election as Councillor she was the Unit Leader for 7 years in Zambia and Country representative/Director for the two Projects in Zambia.

Sr Trinitor Putapo (appointed 2 February 2022)

Sr. Trinitor made her first profession of vows in the Congregation of the Sisters of the Sacred Hearts of Jesus and Mary in 2007. From 2008 to 2010, she trained as a Registered Nurse at Lusaka School of Nursing from which she obtained a Diploma. She was employed in the civil service in 2011 and has since then worked in a number of health facilities in Zambia. Sr. Trinitor made her perpetual profession of vows in 2013 at St James parish in Kasama, Northern Province. In 2015, she did her midwifery training at Ndola School of Nursing and obtained an advanced Diploma in Nursing. Sr. Trinitor was asked to take up a responsibility of Vocation Directress for Zambia by the Congregation in 2016 which she joyfully accepted and has been helping young women to discern vocations until being elected onto the Leadership Team in 2021.

Sr. Trinitor also did her formation studies from 2018 to 2019 at Tangaza University College in Kenya from which she obtained a Diploma in Religious Formation.

Governance, structure and management (continued)

Governance (continued)

Sister Julie Rose (appointed 02.02.22)

Sr Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School, Hillingdon. Sr Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the Special Schools.

Sr Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of our 2 special schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance, structure and management (continued)

Key management

The trustees consider that they together with the manager of the care home comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation 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 or key management.

In the case of the manager of the care home and the nurses and therapists at Marian House, the rates of pay are in line with the relevant post on the NHS Whitley Council scales. In view of the nature of the needs of the care home and the national shortage of nurses and care staff, the trustees pay slightly above the pay rate for comparable jobs in similar charitable nursing homes in the immediate locality.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

The charity is connected to Harmony House Community Interest Company (Company Registration No 06565448 (England and Wales)). Several of those who served as trustees of the charity during the year are directors of the company. Full details of transactions between the charity and the company are given in note 25 to the attached accounts.

During the year, the charity supported directly and indirectly 90 professed sisters and 16 temporarily professed sisters.

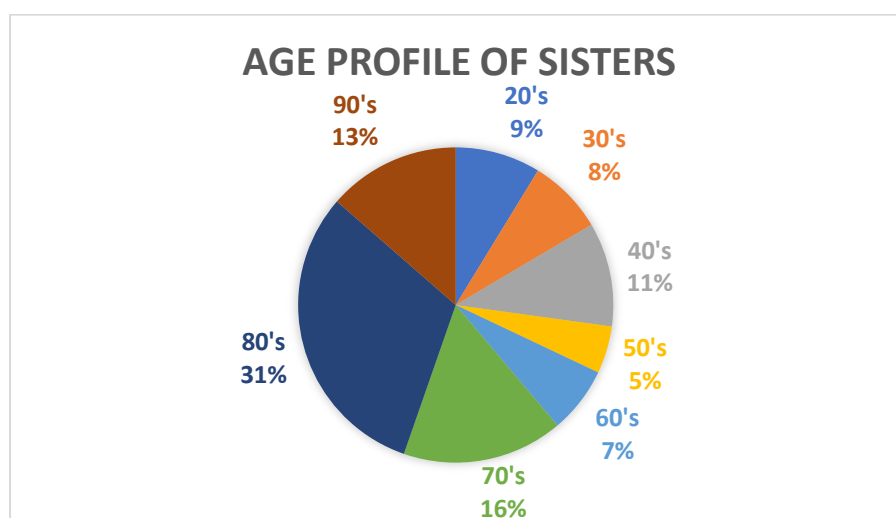
These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, one in the Philippines, one in El Salvador and one in California. Of the other thirteen communities there are six in the south of England and three in Midlands/Northern England, three in Scotland and one in North Wales.

Pastoral care is within the reach of most of the sisters even those who are quite advanced in years. For those who are more able, the work involves home visitation for those who are housebound and lonely. Hospital visitation is another area where a number of sisters are actively involved. However, as explained above this was limited in the last couple of years due to lockdown restrictions and the elderly and vulnerable being asked to shield. Our sisters tried to carry out what pastoral work they could when restrictions eased. However, we follow all government advice and our priority is ensuring our sisters and staff remain safe.

Governance, structure and management (continued)

Structure and management reporting (continued)

The age range of sisters is as follows:



The age range is no different from that of the rest of society. People are living and working longer than they did previously. The age of the sisters is predominantly between 70-90 years.

In addition to the convents as described in detail above, the charity operates the following in the United Kingdom:

- ◆ A care home.

Marian House is a care home which caters for our own elderly and infirm members. It is managed by a qualified and experienced manager. Trustees visit regularly and receive reports regarding all the aspects of the home.

- ◆ Two facilities for Prayer and Retreats.

Domus Mariae Prayer and Retreat Centre is situated in Chigwell, Essex and St Augustine's House of Prayer in Colwyn Bay, north Wales. Both centres are run by managers and trustees visit the houses regularly, as described above due to restrictions in place as a result of Covid-19 Domus Mariae remained closed for most of 2021/22 and St Augustine's re-opened in June 2021.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster, Brentwood, Southwark, Wrexham, Liverpool and Hallam; also with the Bishops in the diocese in the areas where we work overseas;
- ◆ Local Authorities where convents are situated;
- ◆ National Justice and Peace Network;

Governance, structure and management (continued)

Working with other organisations (continued)

- ◆ Africa-Europe Faith and Justice Network;
- ◆ National Association of Special Schools;
- ◆ The Meyer Family Trust;
- ◆ RENATE, an inter-European network for the prevention of trafficking of people;
- ◆ APT – Act to Prevent Trafficking;
- ◆ TRAC;
- ◆ The Romero Trust;
- ◆ “Network” safeguarding group of religious Congregations;
- ◆ The Medaille Trust; and
- ◆ Community based palliative care – Marie Curie Stars Team.

Public benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“Only two things matter, Jesus Christ and the poor”

The following are the main areas in which the charity has provided public benefit:

- ◆ Social and pastoral ministries

The Sisters have worked with the poorest of people, often in the poorest of conditions, for over 100 years. Despite our increasing collective age, many sisters continue to provide both spiritual and practical assistance to those in need. Much of the pastoral work is carried out in areas where it is hoped the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived and in desperate need of the care and pastoral work carried out by the Sisters.

- ◆ Overseas outreach

The charity has supported the Sisters' projects in El Salvador (which the sisters withdrew from in the year as described above), The Philippines, Uganda and Zambia. The services provided range from education of children with special needs; home based education and care for those who are too disabled to travel to school or who live too far from the schools; hostel provision for abandoned elderly and children with special needs; home based care for people with HIV; skills training and development as well as income generating projects; feeding projects for the poor and mal-nourished children who live in very over-crowded areas and care of the environment.

Governance, structure and management (continued)

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charity currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The trustees have identified the following five main areas of risk which may impact on the charity.

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ As seen in our age profile the age of our members is 70-90. While the majority of the sisters are in the upper age bracket we do have a growing number of younger and newer members in our various overseas mission countries.
- ◆ We have engaged lay members of staff who are aware of our ethos.
- ◆ Elderly sisters who are currently doing voluntary pastoral work in parishes are encouraged to go gently and not take on more than they are able to do. Our motto in this regard is 'sisters are valued for who they are not for what they do' as some tend to feel guilty if they are not 'contributing'.
- ◆ One of the biggest risks we face here in the UK is the decrease in the number of younger women joining our Congregation. However, we have 16 young women in the early stages of formation for Religious Life in Zambia, Uganda and the Philippines.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. Our overseas missions have safeguarding procedures in place, in line with our policies and in keeping with their local Church policies and the safeguarding legislation of the countries in which they are located. We have a trustee who has comprehensive training in all matters pertaining to safeguarding and who is responsible for ensuring that the Safeguarding Officers in our missions have the requisite training to enable them to carry out their safeguarding roles effectively.

Governance, structure and management (continued)

Risk management (continued)

Financial

- ◆ A Finance Committee comprising of a small number of sisters has been formed for the purpose of reviewing the finances in the communities as well as reviewing our investments bearing in mind our ethos and our commitment to Justice and Peace and the Integrity of Creation.
- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.
- ◆ Our risk management policy is currently under review.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the communities should there be any occasion that the Congregation, or the charity is the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in our Care Home highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ The Care Quality Commission makes regular announced and unannounced visits to Marian House Care Home at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2022 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the Congregation during the year to 31 March 2022. To include the reports from the various ministries would make an unwieldy document so a selection are highlighted in this paper. They do, however, make interesting reading and give the trustees a reassurance that the funds of the charity are used wisely and effectively for the benefit of the poor and marginalised. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2022.

Summary and acknowledgements (continued)

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Elizabeth Dawson

Trustee

Approved by the trustees on: 15th December 2022

Independent auditor's report to the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Care Act 2014 and safeguarding regulations.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

11 January 2023

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

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	1	2,528,177	172,474	2,700,651	3,374,540	154,688	3,529,228
Investments and interest receivable	2	754,461	—	754,461	809,779	—	809,779
Charitable activities							
. Provision of care	3	243,044	18,316	261,360	188,779	29,235	218,014
. Prayer and retreat ministry	3	31,390	—	31,390	3,436	—	3,436
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	4,094	—	4,094	—	—	—
. Miscellaneous income	4	43,073	—	43,073	291,555	—	291,555
Total income		3,604,239	190,790	3,795,029	4,668,089	183,923	4,852,012
Expenditure on:							
Raising funds							
. Investment management fee rebates		(40,296)	—	(40,296)	(39,325)	—	(39,325)
Charitable activities							
. Charitable donations and support of missionary work	5	1,801,451	173,376	1,974,827	1,751,300	175,896	1,927,196
. Provision of care	6	956,175	18,316	974,491	975,058	29,235	1,004,293
. Support of the sisters and their ministry	7	1,625,808	—	1,625,808	2,041,594	1,700	2,043,294
Total expenditure		4,343,138	191,692	4,534,830	4,728,627	206,831	4,935,458
Net expenditure before gains on investments and transfers		(738,899)	(902)	(739,801)	(60,538)	(22,908)	(83,446)
Transfer between funds		—	—	—	2,300	(2,300)	—
Net expenditure before gains on investments	10	(738,899)	(902)	(739,801)	(58,238)	(25,208)	(83,446)
Net gains on investments	15	418,751	—	418,751	3,133,850	—	3,133,850
Net (expenditure) income and net movement in funds		(320,148)	(902)	(321,050)	3,075,612	(25,208)	3,050,404
Reconciliation of funds:							
Fund balances brought forward at 1 April 2021		31,161,729	25,241	31,186,970	28,086,117	50,449	28,136,566
Fund balances carried forward at 31 March 2022		30,841,581	24,339	30,865,920	31,161,729	25,241	31,186,970

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

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

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	14		4,475,987		4,708,923
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		18,062,156		18,203,113
			28,199,989		28,573,882
Current assets					
Debtors	16	59,430		50,045	
Short term deposits		102,600		102,593	
Cash at bank and in hand		2,612,838		2,664,606	
		2,774,868		2,817,244	
Liabilities:					
Creditors: amounts falling due within one year	17	(108,937)		(204,156)	
Net current assets			2,665,931		2,613,088
Total net assets			30,865,920		31,186,970
The funds of the charity					
Restricted funds	18		24,339		25,241
Unrestricted funds					
. Designated funds	19	24,712,969		24,746,132	
. Tangible fixed assets fund	20	4,468,428		4,697,584	
. General fund		1,660,184		1,718,013	
			30,841,581		31,161,729
			30,865,920		31,186,970

Approved by the trustees and signed on their behalf by:

Sister Elizabeth Dawson

Trustee

Approved on: 15th December 2022

Statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,347,806)	(501,142)
Cash flows from investing activities:			
Interest (paid) received		(4,849)	680
Programme related investment income		323,750	290,000
Income from listed investments		435,560	519,099
Purchase of tangible fixed assets		(39,364)	(65,224)
Proceeds from the disposal of tangible fixed assets		21,240	—
Purchase of investments		(541,825)	(1,380,141)
Proceeds from the disposal of investments		1,101,910	2,628,056
Net cash provided by investing activities		1,296,422	1,992,470
Change in cash and cash equivalents in the year		(51,384)	1,491,328
Cash and cash equivalents at 1 April 2021	B	2,777,615	1,286,287
Cash and cash equivalents at 31 March 2022	B	2,726,231	2,777,615

Notes to the statement of cash flows for the year to 31 March 2022.

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(321,050)	3,050,404
Adjustments for:		
Depreciation charge	255,154	293,743
Gains on investments	(418,751)	(3,133,850)
Investment income and interest receivable	(754,461)	(809,779)
Net gains on disposal of tangible fixed assets	(4,094)	—
(Increase) decrease in debtors	(9,385)	21,011
(Decrease) increase in creditors	(95,219)	77,329
Net cash used in operating activities	(1,347,806)	(501,142)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Short term deposits (less than three months)	102,600	102,593
Cash at bank and in hand	2,612,838	2,664,606
Cash held by investment managers	10,793	10,416
Total cash and cash equivalents	2,726,231	2,777,615

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

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 31 March 2022 with comparative information provided in respect to the year to 31 March 2021.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ Assessing the probability of the receipt of legacy income;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

Since March 2020, as many of the sisters are aged over 70, the trustees have had to adhere to the stringent government advice. This has meant that normal apostolic activities have had to find new shape or cease altogether. Sisters have tried to find new ways of continuing their ministry and supporting their vulnerable neighbours whilst largely remaining in lockdown.

The charity's income has been, and will continue to be, affected by a small drop in investment income as companies have cut dividends in reaction to the pandemic. In terms of expenditure certain costs have reduced to the inability to travel but the impact is not material over all. The trustees will continue to keep both income and expenditure under review.

During the pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over possible volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to recover over time whilst the trustees keep a watching brief.

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

Income recognition

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

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

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

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided or the facilities are used by the charity. An equivalent amount is included as expenditure.

Income recognition (continued)

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Income from charitable activities comprises fees and related charges for the provision of care and fees and contributions received in respect to prayer and retreat ministry. Income derived from the levying of fees and charges for the provision of care services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Income recognition (continued)

Coronavirus Job Retention Scheme funding is credited to the statement of financial activities when the charity has entitlement to the income and the amount receivable has been quantified.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

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

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Charitable grants and donations, in the main, to support the charity's missionary work overseas and the support of Roman Catholic charitable organisations;

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants 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 grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- ◇ Expenditure incurred in the provision of care to the frail and elderly at the charity's care home, including the costs of caring for the sick and elderly members of the Congregation therein;
- ◇ Direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

◆ Inalienable land and buildings

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◆ Other freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost if purchased after 31 March 1996. Otherwise they are stated at a trustees' valuation made, with professional assistance, in 1996 and based on the then market value for existing use. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost.

Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the Congregation's care establishments and its large residential convents. Where acquired before 31 March 1996, they are stated at a valuation at that date made by the trustees with professional assistance. The basis of valuation is replacement cost for existing use less allowance for the condition of the buildings and any restrictions on their use and disposal. Structural and similar additions since 31 March 1996 are stated at cost. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost. With the exception of certain major building improvements, depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the charity.

Tangible fixed assets (continued)

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

- ◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five 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 each vehicle over its estimated useful life.

Fixed asset investments

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

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

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 comprise freehold properties used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 1 April 2010 and 1st April 2019 less any impairment provision. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

Debtors

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

Cash at bank and in hand

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

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 those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	963,712	—	963,712	1,007,812	—	1,007,812
Legacies	432	—	432	7,600	—	7,600
Donation from the Congregation in Ireland	1,550,161	—	1,550,161	2,348,773	—	2,348,773
Other donations	13,872	172,474	186,346	10,355	154,688	165,043
Total funds	2,528,177	172,474	2,700,651	3,374,540	154,688	3,529,228

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from listed investments						
. Global equities	435,549	—	435,549	519,045	—	519,045
. Cash instruments	11	—	11	52	—	52
	435,560	—	435,560	519,097	—	519,097
Interest receivable						
. Bank interest	(4,865)	—	(4,865)	563	—	563
. Interest on cash held by investment managers	16	—	16	119	—	119
	(4,849)	—	(4,849)	682	—	682
Income from programme related investments	323,750	—	323,750	290,000	—	290,000
Total funds	754,461	—	754,461	809,779	—	809,779

The negative bank interest receivable in the year ended 31 March 2022 is a result of the negative interest rates on Euro deposit accounts during the year.

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Provision of care:						
Care home fees	243,044	—	243,044	188,779	—	188,779
Grants	—	18,316	18,316	—	29,235	29,235
	243,044	18,316	261,360	188,779	29,235	218,014
	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Prayer and retreat ministry:						
Contributions received	31,390	—	31,390	3,436	—	3,436

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Surplus on the disposal of other tangible fixed assets:						
. Furniture, equipment and motor vehicles	4,094	—	4,094	—	—	—
	4,094	—	4,094	—	—	—
Coronavirus Job Retention Scheme	7,646	—	7,646	257,639	—	257,639
Other miscellaneous income	35,427	—	35,427	33,916	—	33,916
Total funds	47,167	—	47,167	291,555	—	291,555

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Missionary work of the Congregation abroad	450,439	173,376	623,815	504,959	175,896	680,855
Donation to the Congregation in Ireland	1,232,815	—	1,232,815	1,180,588	—	1,180,588
Donations and grants to other organisations (see below)	97,650	—	97,650	62,890	—	62,890
Donations and grants to individuals	20,547	—	20,547	2,863	—	2,863
Total funds	1,801,451	173,376	1,974,827	1,751,300	175,896	1,927,196

During the year donations and grants were made to 38 (2021 - 23) individuals.

Grants and donations paid to other organisations comprised:

	2022 £	2021 £
Harmony House Dagenham Community Interest Company (see note 25)	11,481	16,304
Gem Care Trust	—	6,055
CAFOD	—	1,000
Sisters of the Sacred Hearts of Jesus and Mary 1983 Charitable Fund	40,800	31,931
Catholic Trust for England & Wales	—	6,500
Irenaeus Project	35,000	—
Mary's Meals	1,000	—
Misean Cara	8,387	—
Grants and donations of less than £1,000	982	1,100
	97,650	62,890

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Provision of care	756,503	18,316	774,819	741,595	29,005	770,600
Depreciation of buildings	42,055	—	42,055	58,005	—	58,005
Management of the Home	121,795	—	121,795	123,640	230	123,870
Allocation of support costs (note 8)	35,822	—	35,822	51,818	—	51,818
Total funds	956,175	18,316	974,491	975,058	29,235	1,004,293

7 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Also included here is expenditure relating to the prayer and retreat centre, Domus Mariae & St Augustine's Priory. It is not possible to separate out this expenditure as it is integrated with the work of the sisters and their ministry. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Staff costs	514,279	—	514,279	823,853	—	823,853
Premises costs	511,943	—	511,943	590,422	—	590,422
Sisters' personal and living expenses	422,010	—	422,010	337,368	1,700	339,068
Education, training and spiritual renewal	38,174	—	38,174	28,948	—	28,948
Sisters' ministries	20,214	—	20,214	21,290	—	21,290
Allocation of support costs (note 8)	119,188	—	119,188	239,713	—	239,713
Total funds	1,625,808	—	1,625,808	2,041,594	1,700	2,043,294

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2022 £	Basis of apportionment
Legal and professional fees	34,436	57,108	91,544	Pro rata expenditure
Governance costs (note 9)	1,386	26,334	27,720	Pro rata expenditure
Miscellaneous expenditure	—	35,746	35,746	Pro rata expenditure
	35,822	119,188	155,010	

	Provision of care £	Support of sisters and their ministry £	Total 2021 £	Basis of apportionment
Legal and professional fees	42,638	60,636	103,274	Pro rata expenditure
Governance costs (note 9)	9,180	31,390	40,570	Pro rata expenditure
Miscellaneous expenditure	—	147,687	147,687	Pro rata expenditure
	51,818	239,713	291,531	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Auditor's remuneration	27,720	—	27,720	26,580	—	26,580
Other professional fees	—	—	—	13,990	—	13,990
Total funds	27,720	—	27,720	40,570	—	40,570

10 Net expenditure before gains on investments

This is stated after charging:

	Total 2022 £	Total 2021 £
Staff costs (note 11)	1,220,513	1,539,360
Auditor's remuneration:		
. Statutory audit – overall accounts	27,720	26,580
. Non-audit services – HR Consultancy and miscellaneous advice	39,655	63,748
Depreciation	255,154	293,743
Operating lease rentals	5,054	16,142

11 Staff costs and remuneration of key management

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	1,091,019	1,314,782
Social security costs	81,021	103,383
Other pension costs	38,210	44,656
	1,210,250	1,462,821
Redundancy costs	6,000	73,636
Payments to agency staff	3,015	856
Apprenticeship levy	1,248	2,047
	1,220,513	1,539,360

Payments to agency staff reflect the cost of agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2022 £	2021 £
Staff costs per function were as follows:		
Provision of care	706,234	715,507
Support of the sisters and their ministry	514,279	823,853
	1,220,513	1,539,360

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2021 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,064 (2021 - £3,018).

The average number of employees, analysed by function, was:

	2022 No.	2021 No.
Provision of care	36	39
Support of sisters and their ministry	24	28
	60	67

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 and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2021 - none).

11 Staff costs and remuneration of key management (continued)

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £49,437 (2021 - £48,852). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

12 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees.

As members of the Congregation, 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 £80,564 (2021 - £70,195).

13 Taxation

The Sisters of the Sacred Hearts of Jesus and Mary CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	925,533	7,748,196	110,373	386,109	9,170,211
Additions	—	19,488	4,076	15,800	39,364
Disposals	—	—	—	(30,420)	(30,420)
At 31 March 2022	925,533	7,767,684	114,449	371,489	9,179,155
At cost	852,206	2,402,043	114,449	371,489	3,740,187
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,767,684	114,449	371,489	9,179,155
Depreciation					
At 1 April 2021	—	4,080,127	67,050	314,111	4,461,288
Charge for the year	—	218,600	14,678	21,876	255,154
On Disposals	—	—	—	(13,274)	(13,274)
At 31 March 2022	—	4,298,727	81,728	322,713	4,703,168
Net book values					
At 31 March 2022	925,533	3,468,957	32,721	48,776	4,475,987
At 31 March 2021	925,533	3,668,069	43,323	71,998	4,708,923

The historical cost of freehold land and properties included above at a valuation cannot be ascertained with accuracy.

14 Tangible fixed assets (continued)

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

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 the 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.

15 Investments

At 31 March 2022 fixed asset investments comprised:

	2022 £	2021 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	18,062,156	18,203,113
	23,724,002	23,864,959

a. Programme related investment properties

During the year, the charity owned three properties which were not used directly by the charity but were used by other not-for-profit organisations for purposes consistent with the charity's objectives.

The properties included as programme related investments comprised:

	2022 £	2021 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

This property was valued by the trustees with professional assistance during 2015 on an open market value. Whilst rent was received during the year, no formal rental agreement was in place and the rent was below market rate.

Harmony House Dagenham is a Community Interest Company in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 25.

St John's RC School Chigwell and Pield Heath House School Uxbridge

These properties are occupied by the Sacred Hearts Sisters 1983 Charitable Fund. A license to occupy and pay an annual rental has been agreed. Further details are given in note 23.

15 Investments (continued)

b. Listed investments and cash held for reinvestment

	2022 £	2021 £
Listed investments		
Market value at 1 April 2021	18,192,697	16,306,762
Additions at cost	541,825	1,380,141
Disposals at book value (proceeds: £1,101,910; realised gains: £11,359)	(1,090,551)	(2,465,240)
Net unrealised investment gains	407,392	2,971,034
Market value at 31 March 2022	18,051,363	18,192,697
 Cash held by investment managers for reinvestment	 10,793	 10,416
Listed investments at 31 March 2022	18,062,156	18,203,113
 Cost of listed investments at 31 March 2022	 15,423,164	 15,906,108

Listed investments held at 31 March 2022, all of which were dealt in on a recognised stock exchange, comprised the following:

	2022 £	2021 £
Global equity based common investment funds	16,992,429	17,053,208
Cash instruments	1,058,934	1,139,489
	18,051,363	18,192,697

Included in the investment portfolio were the following individual holdings which, at 31 March 2022 immediately prior to transfer to the newly formed CIO, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Sterling Liquidity Fund	16,992,429	94.13%	17,053,208	93.74%
Sarasin Climate Active Endowment Funds	1,058,934	5.87%	1,139,489	6.26%

16 Debtors

	2022 £	2021 £
Care fees and charges	10,464	7,985
Prepayments and accrued income	23,274	22,549
Other debtors	25,692	19,511
	59,430	50,045

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxes	12,838	12,494
Accruals and deferred income	72,060	121,707
Other creditors	24,039	69,955
	108,937	204,156

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2021 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2022 £
Overseas Missions fund	25,241	172,474	(173,376)	—	24,339
Covid-19 grants fund	—	18,316	(18,316)	—	—
	25,241	190,790	(191,692)	—	24,339

	At 1 April 2020 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2021 £
Overseas Missions fund	44,987	154,688	(174,434)	—	25,241
Covid-19 grants fund	—	29,235	(29,235)	—	—
Other restricted funds	5,462	—	(3,162)	(2,300)	—
	50,449	183,923	(206,831)	(2,300)	25,241

The specific purposes for which the funds are to be applied are as follows:

- ◆ Overseas Missions fund
This fund consists of donations specifically given to the charity to assist its overseas missionary work.
- ◆ Covid-19 grants fund
This fund comprised monies received specifically to fund Covid related costs at the care home.
- ◆ Other restricted funds
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes.

19 Designated funds

	Donations and mission fund £	SSHJM Congregation al fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2021	31,915	19,000,000	52,371	5,661,846	24,746,132
Movements in the year	(7,848)	—	(25,315)	—	(33,163)
At 31 March 2022	24,067	19,000,000	27,056	5,661,846	24,712,969

	Donations and mission fund £	SSHJM Congregational fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2020	41,222	15,500,000	67,623	5,661,846	21,270,691
Movements in the year	(9,307)	3,500,000	(15,252)	—	3,475,441
At 31 March 2021	31,915	19,000,000	52,371	5,661,846	24,746,132

- ◆ Donations and mission fund
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ SSHJM Congregational fund
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations, based on actuarial methods, indicate that £24.57 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £19 million was set aside for this purpose as there are insufficient funds to provide the full £24.57 million.
- ◆ Home fund
This fund represents the accumulated funds and net current assets of the charity's residential and care home together with monies designated by the trustees for use by the home, excluding tangible fixed assets.
- ◆ Programme related investment fund
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 April 2021	4,697,584	4,930,381
Movements in the year	(229,156)	(232,797)
At 31 March 2022	4,468,428	4,697,584

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the home fund. A decision was made to separate this fund from the other funds 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 would be realisable with ease, in order to meet future contingencies.

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	—	4,468,428	7,559	—	4,475,987
Investments	—	—	23,724,002	—	23,724,002
Net current assets	1,660,184	—	981,408	24,339	2,665,931
Total net assets	1,660,184	4,468,428	24,712,969	24,339	30,865,920
Unrealised gains included above on investments (see below)					
	—	—	2,628,199	—	2,693,981
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2021	—	—	2,286,589	—	2,286,589
Less: amount in respect to disposals in year	—	—	(65,782)	—	407,392
Less: Net gains arising on revaluation in year	—	—	407,392	—	407,392
Unrealised gains at 31 March 2022	—	—	2,628,199	—	2,693,981
	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	4,697,584	11,339	—	4,708,923
Investments	—	—	23,864,959	—	23,864,959
Net current assets	1,718,013	—	869,834	25,241	2,613,088
Total net assets	1,718,013	4,697,584	24,746,132	25,241	31,186,970
Unrealised gains included above on investments (see below)					
	—	—	2,286,589	—	2,286,589
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2020	(26,327)	—	(715,492)	—	(741,819)
Add: amount in respect to disposals in year	26,327	—	31,047	—	57,374
Add: Net gains arising on revaluation in year	—	—	2,971,034	—	2,971,034
Unrealised gains at 31 March 2021	—	—	2,286,589	—	2,286,589

The historical cost of a number of the charity's tangible fixed assets cannot be quantified accurately due to their age. The trustees consider that the cost of ascertaining such historical costs would be out of proportion to the benefits to the charity. It is not possible, therefore, to quantify accurately the total unrealised gains included within tangible fixed assets.

22 Operating lease commitments

At 31 March 2022, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2022	2021
	£	£
Operating lease payments due:		
. Within one year	5,054	5,054
. One to two years	3,523	5,054
. Two to five years	1,354	3,523
	9,931	13,631

23 Related party transactions

Two of the trustees of the charity are also trustees of The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418).

During the year, the CIO donated £1,232,815 (2021 - £1,180,588) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £1,550,161 (2021 - £2,348,773) which related to the proceeds from the sale of land.

Two of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, the Charitable fund paid the CIO £7,246 (2021 - £7,654) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The Charitable Fund paid the CIO £290,000 in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund along with a payment of a salary for one sister who remains employed by the 1983 Charitable fund of £76,793 (2021 - £75,914). The CIO also donated a sum of £40,800 to the 1983 Charitable Fund in the year (2021 - £31,931).

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2021 - none).

24 Other connected entities

◆ St Dominic's School, Hambledon

St Dominic's School, Hambledon was a registered charity (Charity Registration No. 1004590 and Registered Name - The Congregation of Religious Women Known as the Sisters of the Sacred Hearts of Jesus and Mary).

The charity owned a freehold property in Hambledon Surrey, which was leased to Orchard Hill College Academy Trust, which operates a non-maintained weekly boarding and day school for pupils of average intelligence but with special needs on the site.

St Dominic's School, Hambledon was dormant but, as stated above, retained the ownership of the land and buildings occupied by the School, however as part of the transfer from the Sacred Hearts Sisters 1983 Charitable Fund, a general vesting document, dated 1 April 2019, was prepared transferring the ownership of the property to the newly formed CIO.

24 Other connected entities (continued)

- ◆ Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales))

Harmony House Dagenham Community Interest Company works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough. Several of the trustees of the charity are directors of the Community Interest Company.

The Community Interest Company operates from premises which were owned by the charity during the year rent was charged at £33,750 (2021 - £nil rent was paid due to Covid-19 and a lack of funding).

The charity made a donation to the Community Interest Company of £11,481 (2021 - £16,304) during the year.

25 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

26 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the 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.

Accounts

**Sisters of the Sacred Hearts
of Jesus and Mary CIO**

Annual Report and Accounts

31 March 2021

Charity Registration Number
1179804

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

Trustees	Sister Catherine Collins Sister Kathleen Corbett Sister Nora Emperor Sister Eileen McLoughlin Sister Mary Mangan Sister Lorna Walsh
The Superior General	Sister Mary Mangan
The Secretary General	Sister Kathleen Corbett
The General Treasurer	Sister Catherine Collins
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	1179804
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP 3 Queen Square Bath BA1 2HG

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

Insurance Brokers

DE Ford Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

Report of the trustees Year to 31 March 2021

The trustees present their report together with the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the “charity”) for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 36 to 43 and comply with the charity’s constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 112 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The Sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Mission Statement of the Sisters is:

*“We, the Sisters of the Sacred Hearts of Jesus and
Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God.”*

The accounts accompanying this report are the accounts of the charity through which certain of the net assets of the Congregation in England, Wales and Scotland are administered.

Introduction (continued)

With effect from midnight on 31 March 2019, in accordance with a legal transfer of undertakings and a resolution of the trustees, certain of the activities, assets and liabilities of the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232) were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO).

Mission

The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ Health (including caring for members of the Congregation)
- ◆ Education (including education of our own sisters and education within our overseas outreach)
- ◆ Pastoral ministry
- ◆ Overseas outreach

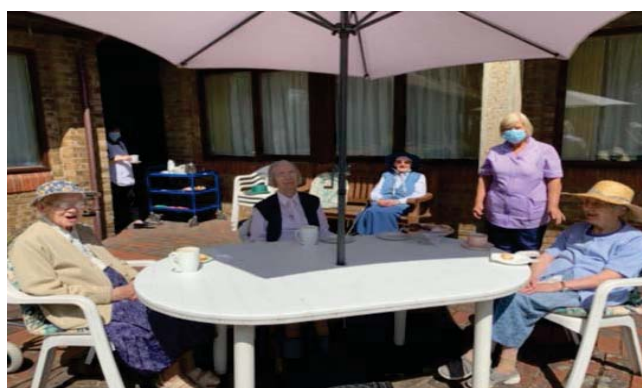
Activities, achievements, specific objectives and relevant policies

Health

The Sisters of the Sacred Hearts of Jesus and Mary CIO operates one care home in the United Kingdom.

Marian House Care Home

We run a friendly open environment for staff and residents whilst at the same time ensuring we maintain the privacy, dignity, and rights and the quality of life for the residents who are vulnerable adults. The home provides long term residential care for the elderly and also short-term respite care for those coming out of hospital or to enable carers to take a break. Marian House shares the site with a resident community of sisters. The lives of the two intertwine for prayer, retreats, social activities and other celebrations. The sisters in community provide a valuable pastoral service for the residents who are all known to them.



Some of the sisters enjoying tea in the garden at Marian House in the Summer of 2020

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

Marian House Care Home (continued)

The Home works very closely with the local authority, the London Borough of Hillingdon. We work very closely with the local hospital and healthcare services which provide additional help and support and training for staff as required.

A community Matron has been appointed for Hillingdon, she offers support and visits the Home, she is part of the Care Home Support Programme.

It is the Care Quality Commission's (CQC's) responsibility to confirm that the Home meets the requirements of all current legislation and that residents are provided with care and dignity in a safe environment. The CQC is also there to advise us on any issues of concern.

Following CQC's virtual inspections up to and shortly after March 2021, CQC have confirmed the standard remains Good and no further inspections will be required in 2021.

Hillingdon Quality Assurance, responsible for provisions on care, have supported care homes during the pandemic. They have inspected and there are no outstanding actions.

The Commissioning Clinical Group do not usually inspect care homes. However, during the pandemic they have inspected and there are no outstanding actions.

All efforts have been concentrated on preventing outbreaks of Covid-19 in the Home, following the outbreak in March 2020. Despite having 3 staff test positive, on different occasions, and one community sister testing positive twice, these remained isolated cases and there were no further outbreaks.

Staff training

All staff training has been carried out remotely, and online, this has been a challenge to some staff who have had to acquire IT skills to complete the training. The Community Matron completed PPE training face-to-face for all staff. The Team Leader has commenced Level 5 in Health & Social Care and two senior Carers have commenced level 4 in Health and Social Care.

Infection Prevention Control Champions - The Care Manager, Team Leader, a senior and a level 2 carer, remotely meet with the other care homes in Hillingdon once a month, to discuss challenges and good practice. This is organised through Hillingdon Quality Assurance.

Whilst the pandemic continues, Marian House Care Home will continue with online training and face-to-face training will only be considered when safe to do so.

Activities, achievements, specific objectives and relevant policies (continued)

Health (continued)

Impact of Covid-19 on Marian House Care Home

The pandemic has had a devastating impact on Marian House. A number of sisters and residents died in a short space of time early in the pandemic.

The CQC and Public Health England have conducted remote Covid-19 Assessments and the Clinical Commissioning Group and Hillingdon Quality Assurance conducted Covid-19 Assessments at the Home. These were very positive regarding Marian House's response to this crisis.

Staff have been offered counselling and a Sister arranged a visit at the end of August to offer counselling to the sisters.

Staff costs remain high, although some of the costs were funded by the Government's Infection Control Grant for Care Homes. Three staff were shielding and these staff were furloughed.

The cost of some equipment, clinical bins, PPE wall mounted holders, thermometers (no-touch), desk screens, was met from the Government grant. Personal protective equipment is now obtained through the Government Portal. Masks, gloves and aprons, were provided free of charge and this will continue until March 2022. The Government funding was discontinued at the end of September 2021.

Covid-19 testing is being carried out by staff. Staff now have a PCR test weekly and two Lateral Flow Tests (LFTs) weekly. Approximately 50% of staff take their LFT tests at home and this has reduced the burden on the staff testing on site. Sisters/residents have a PCR test every 28 days. If there is a positive case, testing is increased in line with Government guidelines.

As of the 19 July 2021 residents can have unlimited numbers of visitors, supported with LFT testing, although all visits must be booked in advance and these can be no more than two at a time. Visits take place in one of the flats or in the garden. If there is a resident or staff member who has a positive Covid-19 result, visiting ceases until 14 days have passed.

Sisters/residents have been supported by the community sisters. There is televised mass in chapel and communion is able to be taken. A priest is now able to visit to take mass, subject to a negative LFT result on the day of visiting. Presently the priest visits once a week.

Marian House is open to admissions and we have had one permanent admission during this difficult time. With the likelihood that the impact of Covid-19 is going to go on for some time and there are many resident vacancies in care homes, it is impossible to predict the effect this is going to have on occupancy.

The impact of restrictions on sisters/residents and staff during the last year cannot be underestimated. We thank the staff for working tirelessly to care for and support the sisters, not only in the Home but for their efforts in living restricted lives to avoid the virus and keep the sisters safe. As the pandemic continues, Marian House Care Home will continue to follow Government guidelines.

Activities, achievements, specific objectives and relevant policies (continued)

Education

Over the last number of years, the trustees have put great emphasis on improving the academic qualifications and developing the leadership skills of our sisters throughout the world. This has involved a number of sisters upgrading their present qualifications in-country and travelling to nearby other African countries for Formation and Leadership training. Some sisters have gone to other countries in Africa and also come the UK and the Philippines to follow courses, and this has greatly benefitted the Congregation as a whole. We also support education as part of our overseas outreach work and this is highlighted under a separate heading below.



Sr Lucy, Zambia – An extract from our Keeping in Touch Magazine December 2020:

On 27 November 2020, I graduated with a Degree Certificate from St Eugene University. I studied the Secondary Teacher Under Degree programme for the past four years. The major was in Social Sciences in which the principal subjects were Religious and Civic Education. The programme for studies was a distance virtual learning programme during which I carried on working in the primary school full time. It was not easy but with God all is possible.

Obtaining a Degree certificate is a great achievement for me in my life and I am very happy and proud of the Congregation and myself because my level of knowledge and understanding has increased and what I have acquired will contribute to the development of the Congregation and to the development of society.

Thank you very much to the Leadership Team for sending me for further studies and thank you very much sisters for all the support during my studies.

Pastoral Ministry

Practically all of our ministries are pastoral in nature. The aims of the trustees in this area are to enable and encourage members of the Congregation to carry out much needed social and pastoral work within the local community. The objective being to motivate sisters to work and assist in any way the poor, elderly, sick and marginalised. Sadly, like many other religious congregations our age profile reflects that over two thirds of our Congregation are over seventy. However, the majority of sisters (even those in their 80's) are still very active in the area of pastoral ministry, providing a very valuable service to those in need.

Many of our “retired” UK and Irish sisters continue to be involved in hospital and care home chaplaincy, school governorship (including schools other than our own), parish ministry which includes visiting hospices, hospitals, the sick and housebound, homeless centres and our own convents by continuing to care for less able retired sisters.

Activities, achievements, specific objectives and relevant policies (continued)

Pastoral Ministry (continued)

In other areas of ministry our sisters are involved with catechesis, teaching English as a second language to immigrants trying to get jobs or applying for citizenship in the UK/Ireland, organising prayer groups and supporting travelling people who are being discriminated against at every level of society. We also have a number of sisters assisting in the administration of the charity, ensuring we are moving forward and adapting to change.

Unfortunately, due to the Covid-19 pandemic, the majority of our pastoral ministry had to stop as a result of lockdowns and shielding. However, throughout the Congregation the sisters adapted and supported those most vulnerable through prayer and online communication tools where possible.

An example of how we continue to review and adapt to be closer to those in need:

Shortly after restrictions were eased in the early part of the Summer 2020, three of our sisters moved from a rented house in Drumchapel to a rented flat in Pollock.

Due to Covid 19 the sisters were unable to take up any ministry apart from contacts made at church and neighbours. Two sisters are involved in "phone ministry", one requested by Alzheimer Scotland and the other from our previous parish.

The sisters whilst waiting to re-start their ministry have appreciated the time for reading, reflection and sharing together which enhances their community living and prepares them for when restrictions allow their ministry to re-commence.



Our sisters moved from Drumchapel to Pollock to be closer to those in need and their pastoral ministry



Activities, achievements, specific objectives and relevant policies (continued)

Domus Mariae Retreat and Conference Centre

The centre provides a meeting place for groups who wish to utilise the quiet space and facilities for workshops and retreats, prayer and reflection and a regular meeting place for local groups.

However, as a result of the pandemic all activities in the Domus Mariae Retreat and Conference Centre had to stop once the country went into lockdown in late March 2020. Since then the decision was made to review the facility and its need for extensive modernisation and it was agreed by the trustees not to take over-night bookings anymore. It was also decided to ensure the safety of those sisters resident in Chigwell community (attached to the Retreat and Conference Centre) that it be closed indefinitely whilst Covid-19 is still prevalent in the community.

St Augustine's Priory House of Prayer



St Augustine's Priory House of Prayer, offers a quiet and peaceful space for people looking for rest amidst the busy-ness of every day life. It offers residential and non-residential accommodation depending on the needs of the people, some of whom may have special needs. Throughout a normal year there is a busy calendar of events such as: Individually Guided Retreats; Private Retreats; Preached Retreats; Creative Retreats; Walking Retreats; Youth Retreats; and space for quiet holiday breaks. Mindfulness and retreats for those living through cancer have seen an increase in interest in the past few years along with our Walking and Contemplative Retreats, so we look to offer more of these in planning our future programmes.

St Augustine's offers a quiet prayerful space for those wishing to deepen their relationship with God, or who are seeking to become more aware of his presence in their daily lives. All that is offered is offered to people from all denominations and those of no faith.

Some groups wish to bring their own Spiritual Director or facilitator. However, the centre does have a resident Sister who is a Spiritual Director and a team of non-resident Spiritual Directors who can be called upon to assist with spiritual accompaniment.

Along with retreats and days of prayer, St Augustine's also provides opportunities for the local community to use its facilities. The centre asks for offerings for its day and meeting room use and retreats/quiet holidays but these are kept low intentionally so that they are affordable for those with low incomes.

Unfortunately, as a result of the Covid-19 pandemic, the House of Prayer had to close in line with all hospitality venues in late March 2020. Having to cancel bookings during the past year has not only had a financial impact, it has also very upsetting for the sisters and staff who run the facility to have to cancel people from all walks of life who were looking forward to being spiritually, physically and emotionally refreshed at St Augustine's.

Activities, achievements, specific objectives and relevant policies (continued)

St Augustine's Priory House of Prayer (continued)

As a result of the lockdowns and necessity to cancel bookings, we adapted and became more technically able, we connected with the Congregation online and managed to join various events and conferences online that we might not have had the time to join if we were operating as normal. This allowed us to develop online retreats and spiritual accompaniment through online facilities to the public. Not only were we connecting with people who had visited us in the past, we were also managing to connect to people from all over the world offering them online individual guided retreats, contemplative retreats and individual accompaniment online.

The House of Prayer had to wait for the Welsh Government to allow re-opening and to ensure we had the facilities in place to ensure the safety of guests, staff and sisters alike. We opened briefly in the Summer of 2020 by offering "holidays" for some of our own Congregation. This allowed us to check the facilities and ensure safety precautions were suitable and in line with the Welsh Government requirements. It was a very happy day when we welcomed our first group back in June 2021.

Justice and Peace

The Justice and Peace Centre continues to offer its IT expertise to the sisters and their helpers to produce materials needed for their ministry. Incorporated in the Justice and Peace Centre is a "communication hub" from which webinars are conducted so that members of the Congregation can stay connected with each other and through which they are encouraged to share ideas and experiences in their ministry. Due to the Covid-19 pandemic the Centre has been much busier with ensuring the Congregation remained connected in more ways than ever before. All communities became much more "tech" savvy and we are very thankful for the work undertaken by Sister Anne who helped us develop our online resources throughout the Congregation.

The Centre was very involved in hosting the TRAC (Trafficking Awareness-Raising and Campaigning) group who has been meeting at the Centre for a number of years and continuing to work on the issues around trafficking people for profit. The group is made up of 15 members coming from different religious Congregations; for most of the sisters it is their second career. However, due to Covid-19 the group could not meet in person but continues its work where possible. Our involvement has been reduced since the Justice and Peace Administrator retired in March 2021. However, one of the sisters remains a member of the group.

Along with publishing the quarterly magazine "Keeping in Touch" which is available on our website, the Centre continues to assist in the development of the Sacred Heart Companions Programme. The Centre also supports the Romero Trust by printing their newsletter. The Romero Trust is a group supporting justice in El Salvador, which is an area we continue to be involved in as part of our overseas projects.

Activities, achievements, specific objectives and relevant policies (continued)

Sacred Heart Companions

The Sacred Heart Companions could not meet in the year due to lockdowns and safety measures throughout the world. Unfortunately, due to the age profile of some of the Companions as well as the conditions some of the groups come from (poverty/no computers/internet etc), connecting online has not been possible.

We hope to be able to look towards continuing to meet as soon as practical and safe. The group has a worldwide focus and there are groups of Companions in many of our Mission countries. There are many expressions of interest in being a companion. In the UK and Ireland our companions tend to be older, they support our mission through prayer and small fundraising activities. Before Covid-19, once a month about forty members came to Chigwell to have some input to the way forward of the group and to socialise. In Uganda, El Salvador and the Philippines they support both through prayer and active roles in our mission work. However, this has also been disrupted due to local lockdowns etc.

Victor Braun Federation

The Federation obtained pontifical right on 4 July 2003, The Victor Braun Federation, comprises three Institutes which all stemmed from the same foundation by Father Peter Victor Braun in Paris 1866. Three Congregations (ourselves based in the UK, Soeurs Servantes du Sacré-Coeur de Jésus – France, and Dienerinnen des heiligsten Herzens Jesu – Austria) joined together to become the Federation. We meet regularly and our mission is supported through this link. All three Congregations share a desire to remain connected (hence the sharing of the Federation house in St Avold). Even though we bring our own culture, personalities and our individual uniqueness, we are united by our founder Father Victor Braun.

On 26 September 2020 we celebrated 150 years from the arrival of Father Victor Braun to England. We held a Celebration of the Eucharist in Chigwell Convent (this was restricted to our own community sisters). There was a sense of great sorrow that all three congregations of the Federation could not be present due to the pandemic restrictions. But we were pleased to be able to transmit the Mass online.

In preparation for this celebration, much investigation took place and lots of interesting information came to the fore and was detailed within our Keeping in Touch magazine.

Activities, achievements, specific objectives and relevant policies (continued)

150 Anniversary CELEBRATIONS
ARRIVAL OF SSH REFUGEES FROM FRANCE
ESTABLISHED AS BEARERS OF THE LOVE OF THE SACRED HEART



Rt. Rev Bishop Alan Williams with the Leadership Team and Chigwell community after the celebration of the Eucharist on 26 September in Chigwell Convent



Sisters Barbara, Maria, Eileen, Bernadette and Gillian enjoying the spectacular candle at the cake cutting. The cakes were shared with our sisters in Marian House.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach

The charity supports the sisters' ministries in the following countries: El Salvador, The Philippines, Uganda and Zambia and we have one Sister living and working in California, working within health care and pastoral work for the local diocese.

To include a report from each overseas mission country would result in a very lengthy document. Last year we highlighted some of our work being undertaken in El Salvador, Uganda, California and a brief report on the commencement of a new community in Zambia. Therefore, this year we are highlighting below a selection of some of the work we have been involved within in Zambia, Uganda and the Philippines. Some of this work has been funded by one of our long-standing supporters T&J Meyer Family Foundation, partner and donor of the Congregation's missionary development work. T&J Meyer Family Foundation has supported the Congregation for over 10 years and has provided more than £1 million in support of SSHJM missionary projects.

Currently, T&J Meyer Family Foundation is funding a 2-year SSHJM programme spanning January 2020 – December 2021, valued at £60,000 per annum, supporting five SSHJM projects in in Zambia, Uganda, and the Philippines. Throughout 2020 and 2021 all the projects have been affected by the Covid-19 pandemic, some more so than others. There have been times over the 2020-21 period where it was not possible to implement activities and projects were suspended due to heightened waves of Covid-19 cases and restrictions including lockdowns. While at other times, when cases reduced and restrictions eased, projects were able to proceed and project implementation was accelerated. Whilst the project is still being implemented, thus all results are yet to be realised, there have been many commendable achievements to date as identified below.

Zambia - SSHJM Bauleni Special Needs Project (BSNP) Lusaka

- ◆ The Bauleni Special Needs Project (BSNP) conducts sensitization programmes with parents on early identification of disability and intervention. Such sensitization has resulted in guardians being able to identify disabilities in children early; guardians being able and confident to attend to their children in their homes; and generally, an increased number of children with special needs in homes receiving timely intervention. BSNP sensitization campaigns have reached approximately 10,500 people via various media forms, including radio, hotlines, flyers, and in person.
- ◆ The Bauleni Special Needs Project home school-based education (HsBE) programme is ongoing whereby a network of BSNP trained community-based volunteers support children with disabilities and their guardians in their home, providing care and education support and mentoring so the child can be supported by their family in their home. This programme is particularly vital in rural parts when children with disabilities are far from support services. To date 150 children and their guardians have been visited in rural zones.



Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

SSHJM Households in Distress (HID) Programme Mbala

- ◆ Households in Distress (HID) Programme supported 100 Orphaned and Vulnerable Children (OVC) (50 primary students and 50 secondary students) in 2020 and 150 OVC in 2021 (97 primary students and 53 in secondary students) by paying for school fees and educational materials.
- ◆ Balanced meals were provided to 222 children at Sunsuntula Orphan Day Care Centre, including during lockdown via a takeaway system, reducing malnutrition and contributing to improved health status and positive child development. The project prioritized provision of meals to children to avert hunger which was imminent during lockdown.



Uganda - SSHJM Children in Need (CHIN) Mukono

- ◆ Children in Need (CHIN) community-based rehabilitation (CBR) programme is ongoing whereby trained volunteers identify and assess children with physical and intellectual disabilities in their homes. The volunteers teach skills including basic physiotherapy, nutrition, feeding, washing, dressing, brushing teeth, using the toilet etc. as well as referrals to hospital or another care giving institution, and any other general assistance. Thus far 230 children and guardians have been reached in their homes.
- ◆ 25 homes for children with disabilities have been modified to include either ramps, appropriate toilets, and/ or hand washing facilities boosting access and mobility, and hygiene and sanitation at their homes.



SSHJM Women and Children First Organisation (WACFO) Pabo

- ◆ Women and Children First Organisation (WACFO) continues to develop the Winifrede Tyrell Training Centre which now also includes a creche, to allow women with children to partake in training knowing their children are cared for on site. WACFO also installed two 10,000 litre water tanks which support the Centre and agricultural demonstration sites.

Activities, achievements, specific objectives and relevant policies (continued)

Overseas Outreach (continued)

SSHJM Women and Children First Organisation (WACFO) Pabo (continued)

- ◆ In response to Covid-19 government restrictions, and to continue with the skills training programme at the Winifrede Tyrell Training Centre (WTTC), WACFO altered its mode of operation. Participants were identified, organised into groups of 6 members for easy social distancing. Intensive residential training is now provided for three months, after



which another group join for another three months. In total 25 youths have been trained in both carpentry and tailoring.

Investment policy

The charity's investments at 31 March 2021 were managed entirely by Sarasin and Partners LLP. In 2018 the trustees made the decision to follow Pope Francis' lead in "Caring for the Earth" by moving the full portfolio of investments to Sarasin's Climate Active policy which offers a timely multi-asset investment solution for charities concerned by increased climate risk and who want to play a part in driving behavioural change. There are no restrictions on the charity powers to invest.

The investment strategy has been set by the trustees and it takes into account income requirements, the risk profile and investment managers' views of the market prospects in the medium term.

Although the positive nature of the fund is to invest with other like-minded charities concerned about the future of the earth, the policy has, and will continue to, require total return through a diversified portfolio whilst providing a level of income advised by the relevant trustees. There is also an ethical investment policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees, meeting annually with the investment managers to discuss performance and the future outlook of the fund.

Future plans

We were due to hold our Chapter in 2020. However, due to coronavirus this was not possible as a number of delegates were from overseas countries and travel from the majority of these countries was not allowed. The Chapter was finally held towards the end of 2021. This meeting allows us to reflect on where we are going and what we hope to achieve as a Congregation moving forwards.

We also hope to be able to return to our pastoral ministry as restrictions ease ensuring the safety of our sisters and staff remains our priority.

Financial review

Results for the year

A summary of the year's results can be found on page 33 of this report and accounts.

The statement of financial activities shows net income and an increase in funds during the year of £3,050,404 (2020 - £28,136,566) with total income amounting to £4,852,012 (2020 - £34,078,070, including £31,274,436 transferred from the predecessor charity) and expenditure totalling £5,299,092 (2020 - £5,395,978).

Total income includes £218,014 (2020 - £247,151) generated by the residential care home.

Other categories of income include investment income and interest receivable and donations and legacies. This latter category includes the salaries and pensions of individual members of the Congregation which are donated to the charity either by deed of covenant or by gift aid.

Total expenditure comprises expenditure on the residential and care home of £1,004,293 (2020 - £1,109,026). The major part of the expenditure on the Home is staff costs which totalled £770,600 (2020 - £846,731) representing payments to the Home's staff. Other expenditure includes the personal and living costs of the members of the Congregation and their ministry, donations paid and the costs of administering and managing the charity. The charity made donations of £1,180,588 (2020 - £1,510,473) to its connected charity in Ireland, the majority of which were used to assist with the ongoing living and care costs of sisters in Ireland along with support of the Irish Charitable Trust and its governance.

Deducting expenditure from income for the year gives a net expenditure figure for the year before investment gains of £83,446 (2020 - net income of £28,682,092).

Investment performance

The charity's listed investments increased in market value during the year. An income yield of 3% was achieved, whilst the capital yield was positive 18% reflecting a strong re-bounce after the initial losses suffered after the outbreak of covid 19 and the impact on markets in early 2020. The investments were managed in accordance with the trustees' investment policy and with the ethical guidelines given to them.

Net gains on listed investments during the year amounted to £3,133,850. A significant rally from the losses of £545,526 suffered in the financial year ending in March 2020. However, although we are assured by our investment advisors that growth will continue into 2021/22 we are mindful of the fact it will be much slower and at a much lower level whilst companies adjust to the impact of the continuing Covid-19 and Brexit issues.

Financial review (continued)

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need 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 going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet showed total reserves of £31,186,970 (2020 - £28,136,566).

Included in this figure was an amount of £25,241 (2020 - £50,449) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 19 to the accounts, together with an analysis of movements in the year.

An amount of £24,746,132 (2020 - £21,270,691) has been designated, or set aside, for specific purposes. Of this £19 million (2020 - £15.5 million) represented the SSHJM Congregational Fund, which had been designated to provide for sisters in their retirement. This fund, set aside to provide for the sisters in their retirement, none of whom have resources of their own, was re-assessed during the year. The calculations, based on actuarial methods, indicated that £24.6 million needed to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. At 31 March 2021 £19 million had been set aside for this purpose as there are insufficient funds available to provide the full £24.6 million needed.

The care home fund totalled £52,371 (2020 - £67,623). The Home's element of these funds are extremely low reflecting the high ongoing costs of providing care for the elderly sisters of the Congregation, where funding levels provided by statutory authorities fall substantially short of those required if services are to be maintained at the high levels of quality rightly demanded by residents and the sisters. Until such funding issues are resolved, the broader work of the charity will be required to continue to support the home with contributions from the charity towards the cost of caring for sisters.

The programme related fund at £5,661,846 (2020 - £5,661,846) represented the book value of those freehold properties occupied by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives.

The tangible fixed assets fund totalled £4,697,584 (2020 - £4,930,381) and was represented by those tangible fixed assets not financed out of restricted funds or included under the home fund.

Funds which were available to support the work of the sisters in the future i.e. the general funds totalled £1,718,013 (2020 - £1,885,045) and fell within the parameters of the charity's reserves policy.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation and to secure a good skills mix among them. Each community is governed by a Superior Leader or Council with shared responsibility. The Congregational Leader or her delegate is required to visit each community at least once every two years and there is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the sisters of the Congregation.

In terms of Civil law, the charity is governed by a Constitution dated 4 September 2018 and is a registered charity, Charity Registration No. 11798804. The trustees of the charity are the six members of the Leadership Team. As all trustees are members of the Congregation they have a detailed knowledge of the work which the charity will carry out with effect from 1 April 2019 and of its structure. On being appointed, new trustees will spend some time with those trustees leaving office. Once the charity is operational, they will also meet with the Congregation's legal, accounting, investment and property advisers in order to obtain a full briefing of their responsibilities and the charity's position and attend appropriate study days.

According to the Constitution the number of trustees shall not fall below five. The initial trustees are – The Congregational Leader, four Team Members and the General Treasurer.

During the year all or some of the trustees attended:

- ◆ The Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Catholic Charities Conference, Church House, London
- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Formation programmes for enhancing our own Formation Programme with a view to capacity building within the Congregation and charity
- ◆ Trustee training sessions put on by:
 - ◆ Buzzacott LLP
 - ◆ Sarasin & Partners LLP
 - ◆ DE Ford, Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Governance, structure and management (continued)

Governance (continued)

Sister Catherine Collins

Sister Catherine entered the Congregation in February 1964. After qualifying as a teacher in 1971, she taught children with special needs in Pontville, Ormskirk, Lancashire for three years. In 1975 she was assigned to a teaching position at Lwitikila Girl's Secondary School in Zambia, becoming principal of the school for her last three years there. From 1987 until 2002 she ministered in California, teaching in the Sacred Heart Elementary School from 1987 to 1997, after which she went to St Louis University to study at the Institute for Religious Formation. From 1998 Sister Catherine worked in the Regional Office of the Congregation in California until 2002 when she was appointed Congregational Leader, a position she held until 2008. After a short period in the Philippines she was appointed General Treasurer in January 2012.

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Sister Nora Emperor

Sister Nora entered the Congregation in September 1967. She trained as a cook following the City and Guilds course at Guildford College, Surrey. After completion of the course she worked in St Dominic's School, Hambledon, Surrey and later went to work in The Jane Hodge Residential Care Home in Cardiff. When Marian House Nursing Home was opened in 1988 she was appointed to organise the kitchen. She remained there until 1994 when she was missioned to Zambia, Africa.

Sister Nora was trained as a Formator at the Kalundu Study Centre, Lusaka and for the next twelve years worked in the Formation programme of our newer members both in Zambia and in the UK.

On her return to Zambia in 2006 she was appointed co-ordinator of Sunsuntula, the Day Care Centre for children orphaned by the AIDS epidemic. She remained at the Centre in Mbala until she was elected to the Leadership Team in August 2014.

Governance, structure and management (continued)

Governance (continued)

Sister Eileen McLoughlin

Sister Eileen entered the Congregation in 1976 having trained as a Primary School Teacher in Glasgow, Scotland. She taught initially in Cranleigh Residential School for Children with special needs and then for nine years in St John Fisher Primary School in Loughton, Essex.

In 1999 Sister Eileen became the Vocations Promoter for the UK and Ireland before being assigned to Colombia in 2003. There she initiated a programme for young people and adults with special needs in a very poor part of Bogota. Sr. Eileen returned to England in 2002 and later become part of the leadership team in 2008 and is still a member of the present team.

Sister Mary Mangan

Mary Mangan was born in Ireland in 1943. She is a teacher by profession having qualified in 1967 and with twenty three years' experience between the classroom and Principal of Schools. She was instrumental in handing over a school to another body that carried on the educational work. In 1990 she went to Ireland to develop a service for children/adults with Intellectual Disability – to de-institutionalise the service and set up a community based service.

During 1996 - 2002 she served on the Congregation's Leadership Team. In 2002-2003 she took a Sabbatical. During 2003 - 2010 she worked with an NGO Ruhama in Dublin, Ireland with women affected by prostitution and women trafficked for sexual exploitation. She retired in 2010 but continued to raise awareness around human trafficking and was influential in setting up an inter-congregational group of religious in Dublin, Ireland to raise awareness against Human Trafficking. She was a member of the Core Group of a Religious European Network against Trafficking Exploitation. She was also involved in spiritual direction ministry. Throughout her career she kept abreast of human development and spiritual growth programmes. In 2014 at the Congregation's General Chapter she was elected Congregational Leader of the Sisters of the Sacred Hearts of Jesus and Mary.

Sister Lorna Walsh

Sister Lorna joined the Congregation in 1966. She had trained as a teacher at Notre Dame College, Liverpool before joining the Sisters. She taught in St Dominic's Primary School, Homerton and then in St John's Open Air School and when the school closed she went with the students to St Dominic's School, Hambledon as Deputy Head. While at St Dominic's, Sister Lorna obtained a BSc from the Open University and in 1976 went to Sacred Heart School, Dagenham as a Science Teacher. She was appointed as Head of Science. When Sacred Heart School merged with Bishop Ward School to become All Saints School, Sister Lorna was appointed as Head of Science for the combined school. In 1990 Sister Lorna was elected to the Leadership Team as Councillor and served for six years until 1996. She then moved to California and worked in low cost housing with the Sisters of Mercy becoming a Senior Manager and working with the homeless population of San Francisco. In 2014 she returned to the UK and was elected onto the Leadership Team.

Governance, structure and management (continued)

Trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the manager of the care home comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation 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 or key management.

In the case of the manager of the care home and the nurses and therapists at Marian House, the rates of pay are in line with the relevant post on the NHS Whitley Council scales. In view of the nature of the needs of the care home and the national shortage of nurses and care staff, the trustees pay slightly above the pay rate for comparable jobs in similar charitable nursing homes in the immediate locality.

Governance, structure and management (continued)

Structure and management reporting

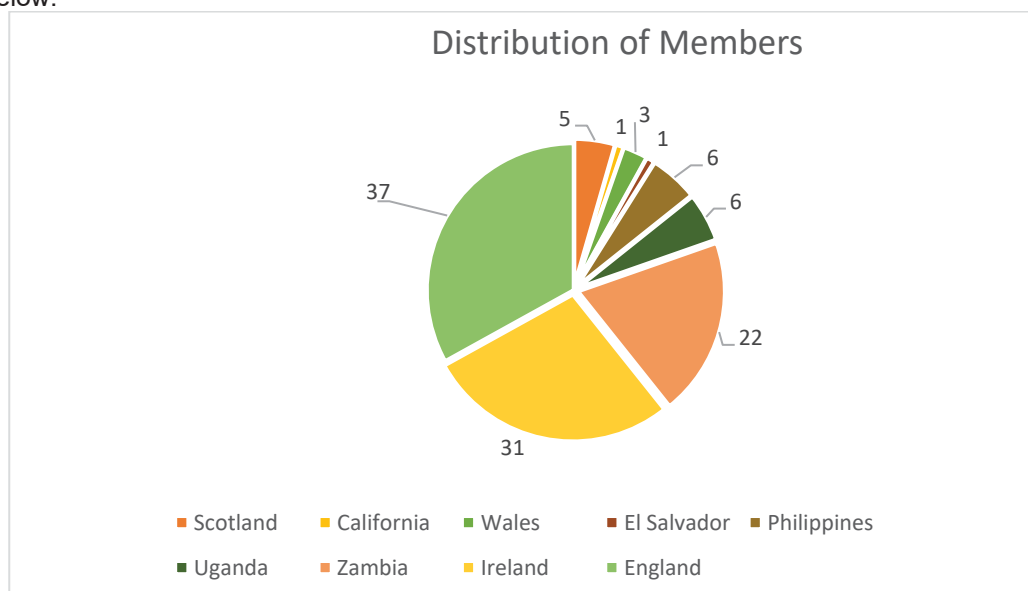
The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

The charity is connected to Harmony House Community Interest Company (Company Registration No 06565448 (England and Wales)). Several of those who served as trustees of the charity during the year are directors of the company. Full details of transactions between the charity and the company are given in note 25 to the attached accounts.

During the year, the charity supported directly and indirectly 112 professed sisters, 5 novices (not included in the total count) and 7 young women preparing for admission.

These sisters live in 24 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, one in the Philippines, one in El Salvador and one in California. Of the other twelve communities there are six in the south of England and three in Midlands/Northern England, two in Scotland and one each in Northern Ireland and Wales.

As of March 2021 the distribution of members of the Congregation was as shown in the chart below.

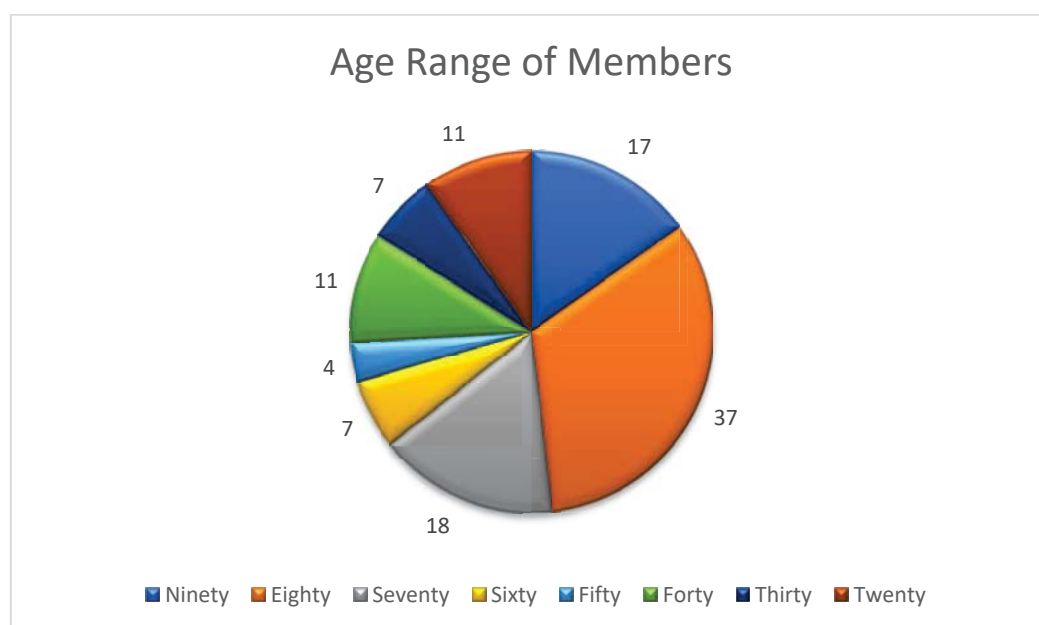


Governance, structure and management (continued)

Structure and management reporting (continued)

Pastoral care is within the reach of most of the sisters even those who are quite advanced in years. For those who are more able, the work involves home visitation for those who are housebound and lonely. Hospital visitation is another area where a number of sisters are actively involved. However, as explained above this was limited in the year due to lockdown restrictions and the elderly and vulnerable being asked to shield. Our sisters tried to carry out what pastoral work they could when restrictions eased. However, we follow all government advice and our priority is ensuring our sisters and staff remain safe.

The age range of sisters is as follows:



The age range is no different from that of the rest of society. People are living and working longer than they did previously. The average age of the sisters is 70-90 years.

In addition to the convents the charity operates the following in the United Kingdom:

- ◆ A care home.

Marian House is a care home which caters for our own elderly and infirm members. It is managed by a qualified and experienced manager. Trustees visit regularly and receive reports regarding all the aspects of the home.

- ◆ Two facilities for Prayer and Retreats.

Domus Mariae Prayer and Retreat Centre is situated in Chigwell, Essex and St Augustine's House of Prayer in Colwyn Bay, north Wales. Both centres are run by managers and trustees visit the houses regularly, as described above due to restrictions in place as a result of Covid-19 both facilities were closed throughout most of 2020 and into 2021.

Governance, structure and management (continued)

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster, Brentwood, Southwark, Wrexham, Liverpool and Hallam; also with the Bishops in the diocese in the areas where we work overseas;
- ◆ Local Authorities where convents are situated;
- ◆ National Justice and Peace Network;
- ◆ Africa-Europe Faith and Justice Network;
- ◆ National Association of Special Schools;
- ◆ The Meyer Family Trust;
- ◆ RENATE, an inter-European network for the prevention of trafficking of people;
- ◆ APT – Act to Prevent Trafficking;
- ◆ TRAC;
- ◆ The Romero Trust;
- ◆ “Network” safeguarding group of religious Congregations;
- ◆ The Medaille Trust; and
- ◆ Community based palliative care – Marie Curie Stars Team.

Public benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“There are two things in life, Jesus Christ and the poorest of God’s people”

The following are the main areas in which the charity has provided public benefit:

- ◆ Social and pastoral ministries
The Sisters have worked with the poorest of people, often in the poorest of conditions, for over 100 years. Despite our increasing collective age, many sisters continue to provide both spiritual and practical assistance to those in need. Much of the pastoral work is carried out in areas where it is hoped the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived and in desperate need of the care and pastoral work carried out by the Sisters.

Governance, structure and management (continued)

Public benefit (continued)

- ◆ Overseas outreach

The charity has supported the Sisters' projects in El Salvador, The Philippines, Uganda and Zambia. The services provided range from education of children with special needs; home based education and care for those who are too disabled to travel to school or who live too far from the schools; hostel provision for abandoned elderly and children with special needs; home based care for people with HIV; skills training and development as well as income generating projects; feeding projects for the poor and mal-nourished children who live in very over-crowded areas and care of the environment.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Congregation currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The trustees have identified the following five main areas of risk which may impact on the charity.

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ As seen in our age profile the average age of our members is 70-90. While the majority of the sisters are in the upper age bracket we do have a growing number of younger and newer members in our various overseas mission countries.
- ◆ We have engaged lay members of staff who are aware of our ethos.
- ◆ Elderly sisters who are currently doing voluntary pastoral work in parishes are encouraged to go gently and not take on more than they are able to do. Our motto in this regard is 'sisters are valued for who they are not for what they do' as some tend to feel guilty if they are not 'contributing'.

Governance, structure and management (continued)

Risk management (continued)

Governance and management (continued)

- ◆ One of the biggest risks we face here in the UK is the decrease in the number of younger women joining our Congregation. However, we have 12 young women in the early stages of formation for Religious Life in Zambia, Uganda and the Philippines. One Sister has produced materials for vocational awareness both here and overseas. A new web site has been built and is up and running.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. Our overseas missions have safeguarding procedures in place, in line with our policies and in keeping with their local Church policies and the safeguarding legislation of the countries in which they are located. We have a trustee who has comprehensive training in all matters pertaining to safeguarding and who is responsible for ensuring that the Safeguarding Officers in our missions have the requisite training to enable them to carry out their safeguarding roles effectively.

Financial

- ◆ A Finance Committee comprising of a small number of sisters has been formed for the purpose of regulating the finances in the communities and to investigate ways and means of getting the best from our investments bearing in mind our ethos and our commitment to Justice and Peace and the Integrity of Creation.
- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.
- ◆ Our risk management policy is currently under review.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the communities should there be any occasion that the Congregation, or the charity is the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in our Care Home highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ The Care Quality Commission makes regular announced and unannounced visits to Marian House Care Home at very short notice.

Governance, structure and management (continued)

Risk management (continued)

Operational (continued)

- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2021 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the Congregation during the year to 31 March 2021. To include the reports from the various ministries would make an unwieldy document so a selection are highlighted in this paper. They do, however, make interesting reading and give the trustees a reassurance that the funds of the charity are used wisely and effectively for the benefit of the poor and marginalised. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2021.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Catherine Collins

Trustee

Approved by the trustees on: 11 January 2022

Independent auditor's report to the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Care Act 2014 and safeguarding regulations.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

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

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 January 2022

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

Statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies	1	3,374,540	154,688	3,529,228	1,125,213	183,169	1,308,382
Investments and interest receivable	2	809,779	—	809,779	1,017,513	—	1,017,513
Charitable activities							
. Provision of care	3	188,779	29,235	218,014	247,151	—	247,151
. Prayer and retreat ministry	3	3,436	—	3,436	170,270	—	170,270
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	—	—	—	14,170	—	14,170
. Miscellaneous income	4	291,555	—	291,555	37,279	8,869	46,148
		4,668,089	183,923	4,852,012	2,611,596	192,038	2,803,634
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)	24	—	—	—	31,226,434	48,002	31,274,436
Total income		4,668,089	183,923	4,852,012	33,838,030	240,040	34,078,070
Expenditure on:							
Raising funds							
. Investment management fee rebates		(39,325)	—	(39,325)	(45,482)	—	(45,482)
Charitable activities							
. Charitable donations and support of missionary work	5	1,751,300	175,896	1,927,196	2,007,304	180,722	2,188,026
. Provision of care	6	975,058	29,235	1,004,293	1,109,026	—	1,109,026
. Support of the sisters and their ministry	7	2,041,594	1,700	2,043,294	2,135,539	8,869	2,144,408
Total expenditure		4,728,627	206,831	4,935,458	5,206,387	189,591	5,395,978
Net (expenditure) income before gains (losses) on investments and transfers		(60,538)	(22,908)	(83,446)	28,631,643	50,449	28,682,092
Transfer between funds		2,300	(2,300)	—	—	—	—
Net (expenditure) income before gains (losses) on investments	10	(58,238)	(25,208)	(83,446)	28,631,643	50,449	28,682,092
Net gains (losses) on investments	15	3,133,850	—	3,133,850	(545,526)	—	(545,526)
Net income (expenditure) and net movement in funds		3,075,612	(25,208)	3,050,404	28,086,117	50,449	28,136,566
Reconciliation of funds:							
Fund balances brought forward at 1 April 2020		28,086,117	50,449	28,136,566	—	—	—
Fund balances carried forward at 31 March 2021		31,161,729	25,241	31,186,970	28,086,117	50,449	28,136,566

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

With effect from midnight on 1 April 2019, certain of the activities, assets and liabilities of the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232) were transferred as a going concern into the CIO.

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

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		4,708,923		4,937,442
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		18,203,113		16,530,291
			28,573,882		27,129,579
Current assets					
Debtors	16	50,045		71,056	
Short term deposits		102,593		102,593	
Cash at bank and in hand		2,664,606		960,165	
		2,817,244		1,133,814	
Liabilities:					
Creditors: amounts falling due within one year	17	(204,156)		(126,827)	
Net current assets			2,613,088		1,006,987
Total net assets			31,186,970		28,136,566
The funds of the charity					
Restricted funds	18		25,241		50,449
Unrestricted funds					
. Designated funds	19	24,746,132		21,270,691	
. Tangible fixed assets fund	20	4,697,584		4,930,381	
. General fund		1,718,013		1,885,045	
			31,161,729		28,086,117
			31,186,970		28,136,566

Approved by the trustees and signed on their behalf by:

Sister Catherine Collins

Trustee

Approved on: 11 January 2022

Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(501,142)	(3,388,156)
Cash flows from investing activities:			
Interest received		680	20,610
Programme related investment income		290,000	384,992
Income from listed investments		519,099	611,911
Purchase of tangible fixed assets		(65,224)	(40,072)
Proceeds from the disposal of tangible fixed assets		—	14,175
Purchase of investments		(1,380,141)	(2,534,879)
Proceeds from the disposal of investments		2,628,056	4,700,364
Net cash provided by investing activities		1,992,470	3,157,101
Change in cash and cash equivalents in the year		1,491,328	(231,055)
Cash transferred from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)		—	1,517,342
Cash and cash equivalents at 1 April 2020	B	1,286,287	—
Cash and cash equivalents at 31 March 2021	B	2,777,615	1,286,287

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

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	3,050,404	28,136,566
Adjustments for:		
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund	—	(31,274,436)
Depreciation charge	293,743	286,622
(Gains) losses on investments	(3,133,850)	545,526
Investment income and interest receivable	(809,779)	(1,017,513)
Net gains on disposal of tangible fixed assets	—	(14,170)
Decrease (increase) in debtors	21,011	(48,999)
Increase (decrease) in creditors	77,329	(1,752)
Net cash used in operating activities	(501,142)	(3,388,156)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Short term deposits (less than three months)	102,593	102,593
Cash at bank and in hand	2,664,606	960,165
Cash held by investment managers	10,416	223,529
Total cash and cash equivalents	2,777,615	1,286,287

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

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 31 March 2021 with comparative information provided in respect to the year to 31 March 2020.

With effect from midnight on 31 March 2019, certain of the activities, assets and liabilities of the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232) were transferred as a going concern to the charity. The transfer has been treated as a merger between the Charitable Trust and the charity in accordance with paragraphs 27.12 and 27.13 of the Charities SORP FRS 102, and the net assets transferred are included as a separate line within total income in the year ended 31 March 2020. The transfer was in accordance with an Order issued by the Charity Commission on 8 December 2018 and with a legal deed of transfer.

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 judgments and estimates.

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

- ◆ Assessing the probability of the receipt of legacy income;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

Since March 2020, as many of the sisters are aged over 70, the trustees have had to adhere to the stringent government advice. This has meant that normal apostolic activities have had to find new shape or cease altogether. Sisters have tried to find new ways of continuing their ministry and supporting their vulnerable neighbours whilst largely remaining in lockdown.

The charity's income has been, and will continue to be, affected by a small drop in investment income as companies have cut dividends in reaction to the pandemic. In terms of expenditure certain costs have reduced to the inability to travel but the impact is not material over all. The trustees will continue to keep both income and expenditure under review.

During the pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over possible volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to recover over time whilst the trustees keep a watching brief.

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

Income recognition

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

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

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

Income recognition (continued)

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Income from charitable activities comprises fees and related charges for the provision of care and fees and contributions received in respect to prayer and retreat ministry. Income derived from the levying of fees and charges for the provision of care services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income recognition (continued)

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Coronavirus Job Retention Scheme funding is credited to the statement of financial activities when the charity has entitlement to the income and the amount receivable has been quantified..

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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

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

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Charitable grants and donations, in the main, to support the charity's missionary work overseas and the support of Roman Catholic charitable organisations;

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants 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 grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Expenditure recognition (continued)

- ◇ Expenditure incurred in the provision of care to the frail and elderly at the charity's care home, including the costs of caring for the sick and elderly members of the Congregation therein;
- ◇ Direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

- ◆ **Inalienable land and buildings**
The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.
- ◆ **Other freehold land and buildings**
Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost if purchased after 31 March 1996. Otherwise they are stated at a trustees' valuation made, with professional assistance, in 1996 and based on the then market value for existing use. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost.

Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Tangible fixed assets (continued)

Specialised buildings comprise the Congregation's care establishments and its large residential convents. Where acquired before 31 March 1996, they are stated at a valuation at that date made by the trustees with professional assistance. The basis of valuation is replacement cost for existing use less allowance for the condition of the buildings and any restrictions on their use and disposal. Structural and similar additions since 31 March 1996 are stated at cost. As permitted by FRS 102, with effect from 1 January 2014 the values assigned to these properties are now deemed to be their cost. With the exception of certain major building improvements, depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the charity.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five 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 each vehicle over its estimated useful life.

Fixed asset investments

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

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

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 comprise freehold properties used by other charitable and not-for-profit organisations for purposes consistent with the charity's objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 1 April 2010 and 1st April 2019 less any impairment provision. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

Debtors

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

Cash at bank and in hand

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

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 those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	1,007,812	—	1,007,812	1,079,162	—	1,079,162
Legacies	7,600	—	7,600	—	25,000	25,000
Donation from the Congregation in Ireland	2,348,773	—	2,348,773	—	—	—
Other donations	10,355	154,688	165,043	46,051	158,169	204,220
Total funds	3,374,540	154,688	3,529,228	1,125,213	183,169	1,308,382

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from listed investments						
· Global equities	519,045	—	519,045	610,819	—	610,819
· Cash instruments	52	—	52	1,092	—	1,092
	519,097	—	519,097	611,911	—	611,911
Interest receivable						
· Bank interest	563	—	563	19,929	—	19,929
· Interest on cash held by investment managers	119	—	119	681	—	681
	682	—	682	20,610	—	20,610
Income from programme related investments	290,000	—	290,000	384,992	—	384,992
Total funds	809,779	—	809,779	1,017,513	—	1,017,513

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Provision of care:						
Care home fees	188,779	—	188,779	247,151	—	247,151
Grants	—	29,235	29,235	—	—	—
	188,779	29,235	218,014	247,151	—	247,151

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Prayer and retreat ministry:						
Contributions received	3,436	—	3,436	170,270	—	170,270

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Surplus on the disposal of other tangible fixed assets:						
· Furniture, equipment and motor vehicles	—	—	—	14,170	—	14,170
	—	—	—	14,170	—	14,170
Coronavirus Job Retention Scheme	257,639	—	257,639	—	8,869	8,869
Other miscellaneous income	33,916	—	33,916	37,279	—	37,279
Total funds	291,555	—	291,555	51,449	8,869	60,318

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Missionary work of the Congregation abroad	504,959	175,896	680,855	457,343	180,722	638,065
Donation to the Congregation in Ireland	1,180,588	—	1,180,588	1,510,473	—	1,510,473
Donations and grants to other organisations (see below)	62,890	—	62,890	37,101	—	37,101
Donations and grants to individuals	2,863	—	2,863	2,387	—	2,387
Total funds	1,751,300	175,896	1,927,196	2,007,304	180,722	2,188,026

During the year donations and grants were made to 23 (2020 - 36) individuals.

Grants and donations paid to other organisations comprised:

	2021 £	2020 £
Harmony House Dagenham Community Interest Company (see note 25)	16,304	12,916
Gem Care Trust	6,055	20,726
CAFOD	1,000	1,100
Sisters of the Sacred Hearts of Jesus and Mary 1983 Charitable Fund	31,931	—
Catholic Trust for England & Wales	6,500	—
Grants and donations of less than £1,000	1,100	2,359
	62,890	37,101

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Provision of care	741,595	29,005	770,600	846,731	—	846,731
Depreciation of buildings	58,005	—	58,005	58,005	—	58,005
Management of the Home	123,640	230	123,870	154,040	—	154,040
Allocation of support costs (note 8)	51,818	—	51,818	50,250	—	50,250
Total funds	975,058	29,235	1,004,293	1,109,026	—	1,109,026

7 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Also included here is expenditure relating to the prayer and retreat centre, Domus Mariae & St Augustine's Priory. It is not possible to separate out this expenditure as it is integrated with the work of the sisters and their ministry. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs	823,853	—	823,853	773,890	8,869	782,759
Premises costs	590,422	—	590,422	620,905	—	620,905
Sisters' personal and living expenses	337,368	1,700	339,068	449,524	—	449,524
Education, training and spiritual renewal	28,948	—	28,948	61,509	—	61,509
Sisters' ministries	21,290	—	21,290	52,329	—	52,329
Allocation of support costs (note 8)	239,713	—	239,713	177,382	—	177,382
Total funds	2,041,594	1,700	2,043,294	2,135,539	8,869	2,144,408

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2021 £	Basis of apportionment
Legal and professional fees	42,638	60,636	103,274	Pro rata expenditure
Governance costs (note 9)	9,180	31,390	40,570	Pro rata expenditure
Miscellaneous expenditure	—	147,687	147,687	Pro rata expenditure
	51,818	239,713	291,531	

	Provision of care £	Support of sisters and their ministry £	Total 2021 £	Basis of apportionment
Legal and professional fees	48,948	131,052	180,000	Pro rata expenditure
Governance costs (note 9)	1,302	24,738	26,040	Pro rata expenditure
Miscellaneous expenditure	—	21,592	21,592	Pro rata expenditure
	50,250	177,382	227,632	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Auditor's remuneration	26,580	—	26,580	26,040	—	26,040
Other professional fees	13,990	—	13,990	—	—	—
Total funds	40,570	—	40,570	26,040	—	26,040

11 Net (expenditure) income before gains (losses) on investments

This is stated after charging:

	Total 2021 £	Total 2020 £
Staff costs (note 11)	1,539,360	1,571,792
Auditor's remuneration:		
. Statutory audit – overall accounts	26,580	26,040
. Non-audit services – HR Consultancy and miscellaneous advice	63,748	53,398
Depreciation	293,743	286,622
Operating lease rentals	16,142	9,664

12 Staff costs and remuneration of key management

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	1,314,782	1,383,647
Social security costs	103,383	105,567
Other pension costs	44,656	47,753
	1,462,821	1,536,967
Redundancy costs	73,636	25,867
Payments to agency staff	856	4,816
Apprenticeship levy	2,047	4,142
	1,539,360	1,571,792

Payments to agency staff reflect the cost of agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2021 £	2020 £
Staff costs per function were as follows:		
Provision of care	715,507	789,033
Support of the sisters and their ministry	823,853	782,759
	1,539,360	1,571,792

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2020 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,018 (2020 - £2,018).

The average number of employees, analysed by function, was:

	2021 No.	2020 No.
Provision of care	39	41
Support of sisters and their ministry	28	31
	67	72

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 and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2020 – none).

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £48,852 (2020 - £48,725). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

13 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees.

As members of the Congregation, 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 £70,195 (2020 - £65,996).

14 Taxation

The Sisters of the Sacred Hearts of Jesus and Mary CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

15 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2020	925,533	7,748,196	96,941	334,317	9,104,987
Additions	—	—	13,432	51,792	65,224
At 31 March 2021	925,533	7,748,196	110,373	386,109	9,170,211
At cost	852,206	2,382,555	110,373	386,109	3,731,243
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,748,196	110,373	386,109	9,170,211
Depreciation					
At 1 April 2020	—	3,815,308	52,020	300,217	4,167,545
Charge for the year	—	264,819	15,030	13,894	293,743
At 31 March 2021	—	4,080,127	67,050	314,111	4,461,288
Net book values					
At 31 March 2021	925,533	3,668,069	43,323	71,998	4,708,923
At 31 March 2020	925,533	3,932,888	44,921	34,100	4,937,442

The historical cost of freehold land and properties included above at a valuation cannot be ascertained with accuracy.

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

14 Tangible fixed assets (continued)

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 the 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.

15 Investments

At 31 March 2021 fixed asset investments comprised:

	2021 £	2020 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	18,203,113	16,530,291
	23,864,959	22,192,137

a. Programme related investment properties

During the year, the charity owned three properties which were not used directly by the charity but were used by other not-for-profit organisations for purposes consistent with the charity's objectives.

	2021 £	2020 £
At 31 March 2020	5,661,846	—
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232) including re-classified fixed assets	—	5,661,846
At 31 March 2021	5,661,846	5,661,846

The properties included as programme related investments comprised:

	2021 £	2020 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

This property was valued by the trustees with professional assistance during 2015 on an open market value. Whilst rent was received during the year, no formal rental agreement was in place and the rent was below market rate.

Harmony House Dagenham is a Community Interest Company in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 25.

St John's RC School Chigwell and Pield Heath House School Uxbridge

These properties are occupied by the Sacred Hearts Sisters 1983 Charitable Fund. A license to occupy and pay an annual rental has been agreed. Further details are given in note 23.

15 Investments (continued)**b. Listed investments and cash held for reinvestment**

	2021 £	2020 £
Listed investments		
Market value at 1 April 2020	16,306,762	—
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)	—	19,017,773
Additions at cost	1,380,141	2,534,879
Disposals at book value (proceeds: £2,628,056; realised gains: £162,816)	(2,465,240)	(4,682,622)
Net unrealised investment gains (losses)	2,971,034	(563,268)
Market value at 31 March 2021	18,192,697	16,306,762
Cash held by investment managers for reinvestment	10,416	223,529
Listed investments at 31 March 2021	18,203,113	16,530,291
Cost of listed investments at 31 March 2021	15,906,108	17,048,581

Listed investments held at 31 March 2021, all of which were dealt in on a recognised stock exchange, comprised the following:

	2021 £	2020 £
Global equity based common investment funds	17,053,208	15,270,307
Cash instruments	1,139,489	1,036,455
	18,192,697	16,306,762

Included in the investment portfolio were the following individual holdings which, at 31 March 2021 immediately prior to transfer to the newly formed CIO, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Sterling Liquidity Fund	17,053,208	93.74%	15,270,307	93.64%
Sarasin Climate Active Endowment Funds	1,139,489	6.26%	1,036,455	6.36%

16 Debtors

	2021 £	2020 £
Care fees and charges	7,985	18,622
Prepayments and accrued income	22,549	43,565
Other debtors	19,511	8,869
	50,045	71,056

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other taxes	12,494	13,712
Accruals and deferred income	121,707	28,600
Other creditors	69,955	84,515
	204,156	126,827

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2020 £	Transfer from charitable trust £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2021 £
Overseas Missions fund	44,987	—	154,688	(174,434)	—	25,241
Covid-19 grants fund	—	—	29,235	(29,235)	—	—
Other restricted funds	5,462	—	—	(3,162)	(2,300)	—
	50,449	—	183,923	(206,831)	(2,300)	25,241

	At 1 April 2019 £	Transfer from charitable trust £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2020 £
Overseas Missions fund	—	40,519	183,169	(178,701)	—	44,987
Other restricted funds	—	7,483	8,869	(10,890)	—	5,462
	—	48,002	192,038	(189,591)	—	50,449

The specific purposes for which the funds are to be applied are as follows:

- ◆ Overseas Missions fund
This fund consists of donations specifically given to the charity to assist its overseas missionary work.
- ◆ Covid-19 grants fund
This fund comprised monies received specifically to fund Covid related costs at the care home.
- ◆ Other restricted funds
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes.

19 Designated funds

	Donations and mission fund £	SSHJM Congregational fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2020	41,222	15,500,000	67,623	5,661,846	21,270,691
Movements in the year	(9,307)	3,500,000	(15,252)	—	3,475,441
At 31 March 2021	31,915	19,000,000	52,371	5,661,846	24,746,132

	Donations and mission fund £	SSHJM Congregational fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2019	—	—	—	—	—
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)	37,637	18,500,000	53,795	5,661,846	24,253,278
Movements in the year	3,585	(3,000,000)	13,828	—	(2,982,587)
At 31 March 2020	41,222	15,500,000	67,623	5,661,846	21,270,691

- ◆ **Donations and mission fund**
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ **SSHJM Congregational fund**
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations, based on actuarial methods, indicate that £24.57 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £19 million was set aside for this purpose as there are insufficient funds to provide the full £24.57 million.
- ◆ **Home fund**
This fund represents the accumulated funds and net current assets of the charity's residential and care home together with monies designated by the trustees for use by the home, excluding tangible fixed assets.
- ◆ **Programme related investment fund**
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
At 1 April 2020	4,930,381	—
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)	—	5,177,230
Movements in the year	(232,797)	(246,849)
At 31 March 2021	4,697,584	4,930,381

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the home fund. A decision was made to separate this fund from the other funds 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 would be realisable with ease, in order to meet future contingencies.

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	4,697,584	11,339	—	4,708,923
Investments	—	—	23,864,959	—	23,864,959
Net current assets	1,718,013	—	869,834	25,241	2,613,088
Total net assets	1,718,013	4,697,584	24,746,132	25,241	31,186,970
Unrealised gains included above on investments (see below)	—	—	2,286,589	—	2,286,589
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2020	(26,327)	—	(715,492)	—	(741,819)
Add: amount in respect to disposals in year	26,327	—	31,047	—	57,374
Less: Net gains (losses) arising on revaluation in year	—	—	2,971,034	—	2,971,034
Unrealised gains at 31 March 2021	—	—	2,286,589	—	2,286,589

21 Analysis of net assets between funds (continued)

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:					
Tangible fixed assets	—	4,930,381	7,061	—	4,937,442
Investments	1,030,291	—	21,161,846	—	22,192,137
Net current assets	854,754	—	101,784	50,449	1,006,987
Total net assets	1,885,045	4,930,381	21,270,691	50,449	28,136,566
Unrealised gains included above on investments (see below)	(26,327)	—	(715,492)	—	(741,819)
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2019	—	—	—	—	—
Add: amount in respect to disposals in year	1,836	—	34,888	—	36,724
Less: Net losses arising on revaluation in year	(28,163)	—	(535,105)	—	(563,268)
Transfer from the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232)	—	—	(215,275)	—	(215,275)
Unrealised gains at 31 March 2020	(26,327)	—	(715,492)	—	(741,819)

The historical cost of a number of the charity's tangible fixed assets cannot be quantified accurately due to their age. The trustees consider that the cost of ascertaining such historical costs would be out of proportion to the benefits to the charity. It is not possible, therefore, to quantify accurately the total unrealised gains included within tangible fixed assets.

22 Operating lease commitments

At 31 March 2021, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2021 £	2020 £
Operating lease payments due:		
. Within one year	5,054	16,142
. One to two years	5,054	16,142
. Two to five years	3,523	52,543
	13,631	84,827

23 Related party transactions

Two of the trustees of the charity are also trustees of The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418).

During the year, the CIO donated £1,180,588 (2020 £1,510,473) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £2,348,773 (2020 – £nil) which related to the proceeds from the sale of land.

All of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, along with the transfer of assets as detailed in note 24 at midnight on 31st March 2019 to the CIO, the Charitable fund paid the CIO £7,654 (2020 £7,140) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The Charitable Fund paid the CIO £290,000 in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund along with a payment of a salary for one sister who remains employed by the 1983 Charitable fund of £75,914 (2020 - £73,855). The CIO also donated a sum of £31,931 to the 1983 Charitable Fund in the year (2020 – £nil).

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2020 – none).

24 Transfer of assets and liabilities

The trustees of the charitable trust are also the trustees of the Sacred Hearts Sisters 1983 Charitable Fund (Charity Registration Number: 287232).

With effect from midnight on 31 March 2019, certain of the activities, assets and liabilities of the charitable trust were transferred to the charity in accordance with a legal transfer of undertakings deed.

The net assets transferred were:

	31 March 2019 £
Tangible fixed assets	5,183,996
Investments	24,691,902
Debtors	22,057
Cash at bank and in hand	1,505,060
Creditors: amounts due within one year	(128,579)
Total net assets	31,274,436
Representing:	
Restricted funds	48,002
Unrestricted funds	
. Designated funds	24,253,278
. Tangible fixed assets fund	5,177,230
. General funds	1,795,926
	31,274,436

25 Other connected entities

◆ St Dominic's School, Hambledon

St Dominic's School, Hambledon was a registered charity (Charity Registration No. 1004590 and Registered Name - The Congregation of Religious Women Known as the Sisters of the Sacred Hearts of Jesus and Mary).

The charity owned a freehold property in Hambledon Surrey, which was leased to Orchard Hill College Academy Trust, which operates a non-maintained weekly boarding and day school for pupils of average intelligence but with special needs on the site.

St Dominic's School, Hambledon was dormant but, as stated above, retained the ownership of the land and buildings occupied by the School, however as part of the transfer from the Sacred Hearts Sisters 1983 Charitable Fund, a general vesting document, dated 1 April 2019, was prepared transferring the ownership of the property to the newly formed CIO.

◆ Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales))

Harmony House Dagenham Community Interest Company works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough. Several of the trustees of the charity are directors of the Community Interest Company.

The Community Interest Company operates from premises which were owned by the charity during the year and it was agreed due to lack of funding and the covid 19 pandemic no rent would be charged in 2021 (2020 - £94,992 rent was paid).

The charity made a donation to the Community Interest Company of £16,304 during the year.

26 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

27 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the 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.

28 Post balance sheet event

On 17 December 2021 the charity received an unrestricted donation of €1,825,652 from The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418). The trustees will use these funds to cover donations made by the charity towards the costs of the Irish Trust in recent years, and to continue the support of the ongoing work of the Irish Trust for the future.