

**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 Workshop 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.

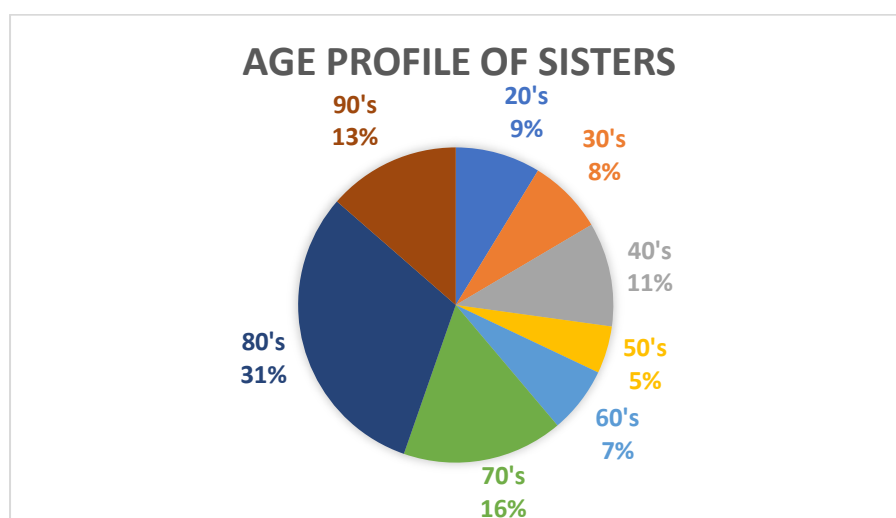
These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, one in the Philippines, one in El Salvador and one in California. Of the other thirteen communities there are 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 Congregational 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.