

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

Annual Report and Accounts

31 March 2023

Charity Registration Number
1179804

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

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

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

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 2023

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

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

Introduction

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

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

The Vision and Mission Statement of the Sisters is:

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

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

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

Mission

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

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

Activities, achievements, specific objectives and relevant policies

Health

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

Marian House Care Home

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

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

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

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

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

Health (continued)

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

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

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

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

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

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

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

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

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

Education

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

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

Extract from our Keeping In Touch Magazine - January 2023



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

Pastoral Ministry

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

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

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

Pastoral Ministry (continued)

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

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

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

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

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

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



Domus Mariae Retreat and Conference Centre

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

However, as a result of the pandemic all activities in the Domus Mariae Retreat and Conference Centre had to stop once the country went into lockdown in late March 2020. Since then, the decision was made to review the facility and 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. Following these closures the centre re-opened to day groups in 2022-2023 and to local church groups and the Rotary Club. However, the decision was taken by the trustees to fully close the Centre from January 2023.

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

St Augustine's Priory House of Prayer



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

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

Justice and Peace

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

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

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

Sacred Heart Companions

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

Victor Braun Federation

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

Overseas Outreach

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

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

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

Overseas Outreach (continued)

An extract from our Keeping In Touch Magazine, June 2022

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

By: Valerie C. Valencia, PTRP

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

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



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

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

Overseas Outreach (continued)

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

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

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

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



A Report from Keeping In Touch Spring 2022 from Chingola Zambia

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

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



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

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

Overseas Outreach (continued)

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

The activities that are offered to our beneficiaries are:

Adult literacy Education

Feeding programme

Physical Education

Gardening

Spiritual and Moral education

Psychosocial counselling programme

Social activities

Our literacy classes are conducted every Saturday

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

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

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



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

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

Overseas Outreach (continued)

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



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

Investment policy

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

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

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

Investment policy (continued)

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

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

Future plans

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

Overseas outreach

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

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

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

Future plans (continued)

Overseas outreach (continued)

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

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

Marian House Care Home

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

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

Financial review

Results for the year

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

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

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

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

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

Financial review (continued)

Investment performance

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

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

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

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

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

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

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

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

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

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

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

Governance, structure and management

Governance

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

Governance, structure and management (continued)

Governance (continued)

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

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

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

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

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

Sister Elizabeth Dawson (appointed 2 February 2022)

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

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

Governance, structure and management (continued)

Governance (continued)

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

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

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

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

Sister Mary Dargie (appointed 2 February 2022)

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

Sister Elizabeth Mooney (appointed 2 February 2022)

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

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

Governance, structure and management (continued)

Governance (continued)

Sister Mwalula Yvonne Mwila (appointed 2 February 2022)

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

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

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

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

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

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

Governance, structure and management (continued)

Governance (continued)

Sister Julie Rose (appointed 02.02.22)

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

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

Trustees' responsibilities

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

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

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

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

Governance, structure and management (continued)

Key management

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

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

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

Structure and management reporting

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

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

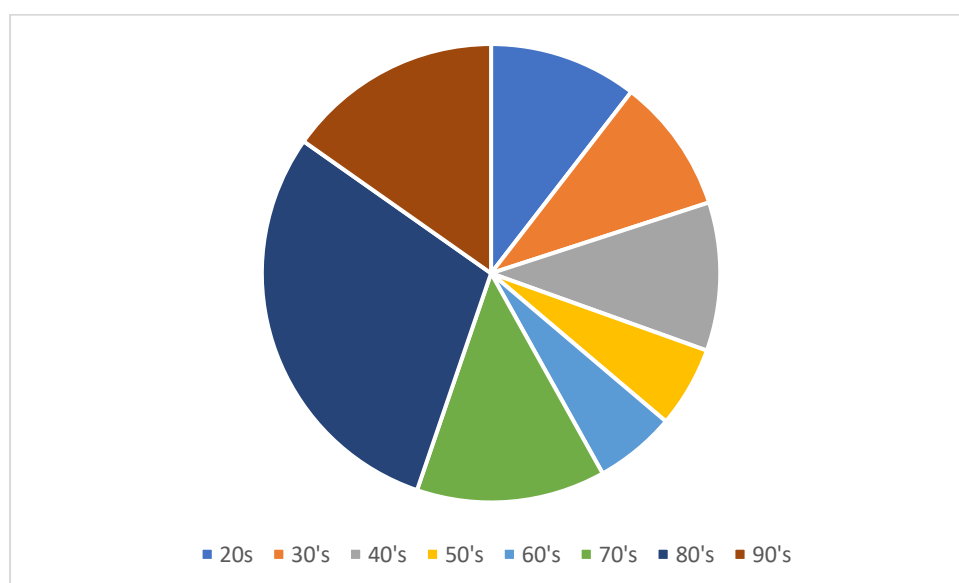
These sisters live in 25 communities in different parts of the world. Two of these communities are situated in Southern Ireland, five in Zambia (one of which is the Novitiate), two in Uganda, two in the Philippines, one in El Salvador and one in California. Of the other communities there are six in the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

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

Governance, structure and management (continued)

Structure and management reporting (continued)

The age range of sisters is as follows:



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

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

- ◆ A Care Home.

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

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

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

Working with other organisations

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

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

Governance, structure and management (continued)

Working with other organisations (continued)

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

Public benefit

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

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

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

- ◆ Social and pastoral ministries

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

- ◆ Overseas outreach

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

Governance, structure and management (continued)

Risk management

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

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

Governance and management

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

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



Governance, structure and management (continued)

Risk management (continued)

Safeguarding

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

Financial

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

Reputational

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

Operational

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

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

Fundraising statement

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

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

Summary and acknowledgements

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

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

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

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved by the trustees on: 11th December 2023

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

Opinion

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12th December 2023

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

Statement of financial activities Year to 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from:							
Donations and legacies	1	1,242,549	28,388	1,270,937	2,528,177	172,474	2,700,651
Investments and interest receivable	2	716,138	—	716,138	754,461	—	754,461
Charitable activities							
. Provision of care	3	276,432	—	276,432	243,044	18,316	261,360
. Prayer and retreat ministry	3	34,183	—	34,183	31,390	—	31,390
Other sources							
. Surplus on disposal of tangible fixed assets and other property	4	623	—	623	4,094	—	4,094
. Foreign exchange gains	4	62,948	—	62,948	—	—	—
. Miscellaneous income	4	55,444	—	55,444	43,073	—	43,073
Total income		2,388,317	28,388	2,416,705	3,604,239	190,790	3,795,029
Expenditure on:							
Raising funds							
. Investment management fee rebates		(35,017)	—	(35,017)	(40,296)	—	(40,296)
Charitable activities							
. Charitable donations and support of missionary work	5	1,882,349	25,155	1,907,504	1,801,451	173,376	1,974,827
. Provision of care	6	931,981	—	931,981	956,175	18,316	974,491
. Support of the sisters and their ministry	7	1,667,962	—	1,667,962	1,625,808	—	1,625,808
Total expenditure		4,447,275	25,155	4,472,430	4,343,138	191,692	4,534,830
Net (expenditure) income before (losses) gains on investments	10	(2,058,958)	3,233	(2,055,725)	(738,899)	(902)	(739,801)
Net (losses) gains on investments	15	(1,047,509)	—	(1,047,509)	418,751	—	418,751
Net (expenditure) income and net movement in funds		(3,106,467)	3,233	(3,103,234)	(320,148)	(902)	(321,050)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		30,841,581	24,339	30,865,920	31,161,729	25,241	31,186,970
Fund balances carried forward at 31 March 2023		27,735,114	27,572	27,762,686	30,841,581	24,339	30,865,920

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

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

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	14		4,355,789		4,475,987
Investments					
. Programme related investments	15		5,661,846		5,661,846
. Listed investments	15		15,949,744		18,062,156
			25,967,379		28,199,989
Current assets					
Debtors	16	362,971		59,430	
Short term deposits		103,103		102,600	
Cash at bank and in hand		1,508,919		2,612,838	
		1,974,993		2,774,868	
Liabilities:					
Creditors: amounts falling due within one year	17	(179,686)		(108,937)	
Net current assets			1,795,307		2,665,931
Total net assets			27,762,686		30,865,920
The funds of the charity					
Restricted funds	18		27,572		24,339
Unrestricted funds					
. Designated funds	19	21,693,763		24,712,969	
. Tangible fixed assets fund	20	4,352,009		4,468,428	
. General fund		1,689,342		1,660,184	
			27,735,114		30,841,581
			27,762,686		30,865,920

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved on: 11th December 2023

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(2,816,203)	(1,347,806)
Cash flows from investing activities:			
Interest received (paid)		73,819	(4,849)
Programme related investment income		227,500	323,750
Income from listed investments		414,819	435,560
Purchase of tangible fixed assets		(68,878)	(39,364)
Proceeds from the disposal of tangible fixed assets		624	21,240
Purchase of investments		(1,147,171)	(541,825)
Proceeds from the disposal of investments		2,201,370	1,101,910
Net cash provided by investing activities		1,702,083	1,296,422
Change in cash and cash equivalents in the year		(1,114,120)	(51,384)
Cash and cash equivalents at 1 April 2022	B	2,726,231	2,777,615
Cash and cash equivalents at 31 March 2023	B	1,612,111	2,726,231

Notes to the statement of cash flows for the year to 31 March 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(3,103,234)	(321,050)
Adjustments for:		
Depreciation charge	164,880	255,154
Losses (gains) on investments	1,047,509	(418,751)
Investment income and interest receivable	(716,138)	(754,461)
Net gains on disposal of tangible fixed assets	(623)	(4,094)
Increase in debtors	(279,346)	(9,385)
Increase (decrease) in creditors	70,749	(95,219)
Net cash used in operating activities	2,816,203	(1,347,806)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Short term deposits (less than three months)	103,103	102,600
Cash at bank and in hand	1,508,919	2,612,838
Cash held by investment managers	89	10,793
Total cash and cash equivalents	1,612,111	2,726,231

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

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

Basis of preparation

These accounts have been prepared for the year to 31 March 2023 with comparative information provided in respect to the year to 31 March 2022.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ Assessing the probability of the receipt of legacy income;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

Assessment of going concern (continued)

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

Income recognition

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

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

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

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

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

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

Income recognition (continued)

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

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

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

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

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

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

Coronavirus Job Retention Scheme funding is credited to the statement of financial activities when the charity has entitlement to the income and the amount receivable has been quantified.

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

Expenditure recognition

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

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

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

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

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

Allocation of support and governance costs (continued)

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

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

Tangible fixed assets

◆ **Inalienable land and buildings**

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

◆ **Other freehold land and buildings**

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

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

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

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

Tangible fixed assets (continued)

♦ Furniture and equipment

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a four to five year period on a straight line basis.

♦ Motor vehicles

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

Fixed asset investments

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

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

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

Programme related investments

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

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

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

Fund accounting

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

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the homes fund.

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

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

Foreign currencies

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

Pension costs

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

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

Services provided by members of the Congregation

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

Operating leases

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

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	1,160,936	—	1,160,936	963,712	—	963,712
Legacies	10,568	—	10,568	432	—	432
Donation from the Congregation in Ireland	—	—	—	1,550,161	—	1,550,161
Other donations	71,045	28,388	99,433	13,872	172,474	186,346
Total funds	1,242,549	28,388	1,270,937	2,528,177	172,474	2,700,651

2 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from listed investments						
. Global equities	414,514	—	414,514	435,549	—	435,549
. Cash instruments	305	—	305	11	—	11
	414,819	—	414,819	435,560	—	435,560
Interest receivable						
. Bank interest	73,338	—	73,338	(4,865)	—	(4,865)
. Interest on cash held by investment managers	481	—	481	16	—	16
	73,819	—	73,819	(4,849)	—	(4,849)
Income from programme related investments	227,500	—	227,500	323,750	—	323,750
Total funds	716,138	—	716,138	754,461	—	754,461

The negative bank interest receivable in the year ended 31 March 2022 is a result of the negative interest rates on Euro deposit accounts during that year.

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Provision of care:						
Care home fees	276,432	—	276,432	243,044	—	243,044
Grants	—	—	—	—	18,316	18,316
	276,432	—	276,432	243,044	18,316	261,360
	Unrestricted funds £	Restricted funds £	Total fund 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Prayer and retreat ministry:						
Contributions received	34,183	—	34,183	31,390	—	31,390

4 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Surplus on the disposal of other tangible fixed assets:						
. Furniture, equipment and motor vehicles	623	—	623	4,094	—	4,094
Coronavirus Job Retention Scheme	—	—	—	7,646	—	7,646
Foreign exchange gains	62,948	—	62,948	—	—	—
Other miscellaneous income	55,444	—	55,444	35,427	—	35,427
Total funds	119,015	—	119,015	47,167	—	47,167

5 Charitable donations and support of missionary work

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Missionary work of the Congregation abroad	654,915	25,155	680,070	450,439	173,376	623,815
Donation to the Congregation in Ireland	1,209,910	—	1,209,910	1,232,815	—	1,232,815
Donations and grants to other organisations (see below)	13,416	—	13,416	97,650	—	97,650
Donations and grants to individuals	4,108	—	4,108	20,547	—	20,547
Total funds	1,882,349	25,155	1,907,504	1,801,451	173,376	1,974,827

During the year donations and grants were made to 40 (2022 - 38) individuals.

Grants and donations paid to other organisations comprised:

	2023 £	2022 £
Harmony House Dagenham Community Interest Company (see note 25)	2,576	11,481
Sisters of the Sacred Hearts of Jesus and Mary 1983 Charitable Fund	—	40,800
Irenaeus Project	—	35,000
Mary's Meals	—	1,000
Misean Cara	8,819	8,387
Disasters Emergency Committee	1,000	—
Grants and donations of less than £1,000	1,021	982
	13,416	97,650

6 Provision of care

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Provision of care	752,255	—	752,255	756,503	18,316	774,819
Depreciation of buildings	24,049	—	24,049	42,055	—	42,055
Management of the Home	119,283	—	119,283	121,795	—	121,795
Allocation of support costs (note 8)	36,394	—	36,394	35,822	—	35,822
Total funds	931,981	—	931,981	956,175	18,316	974,491

7 Support of the sisters and their ministry

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

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Staff costs	519,601	—	519,601	514,279	—	514,279
Premises costs	550,387	—	550,387	511,943	—	511,943
Sisters' personal and living expenses	411,962	—	411,962	422,010	—	422,010
Education, training and spiritual renewal	53,324	—	53,324	38,174	—	38,174
Sisters' ministries	15,468	—	15,468	20,214	—	20,214
Allocation of support costs (note 8)	117,220	—	117,220	119,188	—	119,188
Total funds	1,667,962	—	1,667,962	1,625,808	—	1,625,808

8 Support costs

	Provision of care £	Support of sisters and their ministry £	Total 2022 £	Basis of apportionment
Legal and professional fees	26,284	82,010	108,294	Pro rata expenditure
Governance costs (note 9)	10,110	30,480	40,590	Pro rata expenditure
Miscellaneous expenditure	—	4,730	4,730	Pro rata expenditure
	36,394	117,220	153,614	

	Provision of care £	Support of sisters and their ministry £	Total 2022 £	Basis of apportionment
Legal and professional fees	34,436	57,108	91,544	Pro rata expenditure
Governance costs (note 9)	1,386	26,334	27,720	Pro rata expenditure
Miscellaneous expenditure	—	35,746	35,746	Pro rata expenditure
	35,822	119,188	155,010	

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Auditor's remuneration	40,590	—	40,590	27,720	—	27,720

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

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 11)	1,179,028	1,220,513
Auditor's remuneration:		
. Statutory audit – overall accounts	30,480	27,720
. Non-audit services – HR Consultancy and miscellaneous advice	14,796	39,655
Depreciation	164,880	255,154
Operating lease rentals	7,131	5,054

11 Staff costs and remuneration of key management

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	1,048,586	1,091,019
Social security costs	82,190	81,021
Other pension costs	35,638	38,210
	1,166,414	1,210,250
Redundancy costs	—	6,000
Payments to agency staff	11,614	3,015
Apprenticeship levy	1,000	1,248
	1,179,028	1,220,513

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

	2023 £	2022 £
Staff costs per function were as follows:		
Provision of care	659,427	706,234
Support of the sisters and their ministry	519,601	514,279
	1,179,028	1,220,513

There was one employee who earned between £60,000 and £70,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year (2022 – one). Employer's pension contributions into the defined benefit scheme for this employee totalled £3,125 (2022 - £3,064).

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

	2023 No.	2022 No.
Provision of care	30	36
Support of sisters and their ministry	24	24
	54	60

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Home's Care Manager.

No trustee received any remuneration in respect to their services during the year nor any reimbursements of expenses (2022 - none).

11 Staff costs and remuneration of key management (continued)

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £50,277 (2022 - £49,437). This relates to only one member of the key management personnel as the other members of key management personnel are all members of the Congregation.

12 Trustees' expenses and remuneration and transactions with trustees

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

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £344,156 (2022 - £80,564). The 2023 figure included a lump sum pension receivable.

13 Taxation

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

14 Tangible fixed assets

	Freehold land and buildings				
	Non-specialised £	Specialised £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2022	925,533	7,767,684	114,449	371,489	9,179,155
Additions	—	44,683	—	—	44,683
Disposals	—	—	(5,268)	(12,164)	(17,432)
At 31 March 2023	925,533	7,812,367	109,181	359,325	9,206,406
At cost	852,206	2,446,726	109,181	359,325	3,767,438
At deemed cost based on 1996 valuation	73,327	5,365,641	—	—	5,438,968
	925,533	7,812,367	109,181	359,325	9,206,406
Depreciation					
At 1 April 2022	—	4,298,727	81,728	322,713	4,703,168
Charge for the year	—	132,475	14,100	18,305	164,880
On disposals	—	—	(5,268)	(12,163)	(17,431)
At 31 March 2023	—	4,431,202	90,560	328,855	4,850,617
Net book values					
At 31 March 2023	925,533	3,381,165	18,621	30,470	4,355,789
At 31 March 2022	925,533	3,468,957	32,721	48,776	4,475,987

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

14 Tangible fixed assets (continued)

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

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

Certain of the charity's properties are subject to covenants which restrict their use and disposal.

15 Investments

At 31 March 2023 fixed asset investments comprised:

	2023 £	2022 £
Programme related investments (see a below)	5,661,846	5,661,846
Listed investments (see b below)	15,949,744	18,062,156
	21,611,590	23,724,002

a. Programme related investment properties

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

The properties included as programme related investments comprised:

	2023 £	2022 £
Harmony House Dagenham	3,080,000	3,080,000
St John's RC School Chigwell	720,000	720,000
Pield Heath House School Uxbridge	1,861,846	1,861,846
	5,661,846	5,661,846

Harmony House Dagenham

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

Harmony House Dagenham is a Community Interest Company in the London Borough and Dagenham working in partnership with the Local Authority, community and voluntary organisations in delivering a range of community based services and projects. Further details are given in note 25.

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

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

15 Investments (continued)

b. Listed investments and cash held for reinvestment

	2023 £	2022 £
Listed investments		
Market value at 1 April 2022	18,051,363	18,192,697
Additions at cost	1,147,171	541,825
Disposals at book value (proceeds: £2,201,370; realised losses: £38,133)	(2,239,503)	(1,090,551)
Net unrealised investment (losses) gains	(1,009,376)	407,392
Market value at 31 March 2023	15,949,655	18,051,363
Cash held by investment managers for reinvestment	89	10,793
Listed investments at 31 March 2023	15,949,744	18,062,156
Cost of listed investments at 31 March 2023	14,507,733	15,423,164

Listed investments held at 31 March 2023, all of which were dealt in on a recognised stock exchange, comprised the following:

	2023 £	2022 £
Global equity based common investment funds	14,869,565	16,992,429
Cash instruments	1,080,090	1,058,934
	15,949,655	18,051,363

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

	Market value £	Percentage of portfolio %	Market value £	Percentage of portfolio %
Sarasin Climate Active Endowment Funds	14,869,564	93.2%	16,992,429	94.13%
Sarasin Sterling Liquidity Fund	1,080,090	6.8%	1,058,934	5.87%

16 Debtors

	2023 £	2022 £
Care fees and charges	8,290	10,464
Prepayments and accrued income	53,683	23,274
Other debtors	300,998	25,692
	362,971	59,430

Other debtors include £290,315 (2022 - £nil) being a lump sum pension receivable from a member of the Congregation as at 31 March 2023 under Gift Aid/deed of covenant.

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Social security and other taxes	10,597	12,838
Accruals and deferred income	92,782	72,060
Other creditors	76,307	24,039
	179,686	108,937

18 Restricted funds

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

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

	At 1 April 2021 £	Income £	Expenditure £	Transfer to general funds £	At 31 March 2022 £
Overseas Missions fund	25,241	172,474	(173,376)	—	24,339
Covid-19 grants fund	—	18,316	(18,316)	—	—
	25,241	190,790	(191,692)	—	24,339

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

- ◆ Overseas Missions fund
This fund consists of donations specifically given to the charity to assist its overseas missionary work.
- ◆ Covid-19 grants fund
This fund comprised monies received specifically to fund Covid related costs at the Care Home.
- ◆ Other restricted funds
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes.

19 Designated funds

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

	Donations and mission fund £	SSHJM Congrega- tional fund £	Home fund £	Programme related investment fund £	Total £
At 1 April 2021	31,915	19,000,000	52,371	5,661,846	24,746,132
Movements in the year	(7,848)	—	(25,315)	—	(33,163)
At 31 March 2022	24,067	19,000,000	27,056	5,661,846	24,712,969

19 Designated funds (continued)

- ◆ Donations and mission fund
This fund represents monies set aside towards the provision of donations and contributions towards missionary work in future years.
- ◆ SSHJM Congregational fund
The SSHJM Congregational fund consists of funds that the trustees designated to provide for the sisters in their retirement. Calculations, based on actuarial methods, indicate that £21.25 million needs to be set aside in order to provide a modest sum towards the upkeep and care of sisters over 65 years of age. In these accounts £16 million was set aside for this purpose as there are insufficient funds to provide the full £21.25 million.
- ◆ Home fund
This fund represents the accumulated funds and net current assets of the charity's residential and Care Home together with monies designated by the trustees for use by the home, excluding tangible fixed assets.
- ◆ Programme related investment fund
This fund represents the book value of those freehold properties occupied by other charitable and non-for-profit organisations for purposes consistent with the charity's objectives.

20 Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 April 2022	4,468,428	4,697,584
Movements in the year	(116,419)	(229,156)
At 31 March 2023	4,352,009	4,468,428

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

21 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 March 2023 are represented by:					
Tangible fixed assets	—	4,352,009	3,780	—	4,355,789
Investments	—	—	21,611,590	—	21,611,590
Net current assets	1,689,342	—	78,393	27,572	1,795,307
Total net assets	1,689,342	4,352,009	21,693,763	27,572	27,762,686
Unrealised gains included above on investments (see below)					
	—	—	1,441,922	—	1,441,922
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2022	—	—	2,628,199	—	2,628,199
Less: Amount in respect to disposals in year	—	—	(176,901)	—	(176,901)
Less: Net losses arising on revaluation in year	—	—	(1,009,376)	—	(1,009,376)
Unrealised gains at 31 March 2023	—	—	1,441,922	—	1,441,922
	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	—	4,468,428	7,559	—	4,475,987
Investments	—	—	23,724,002	—	23,724,002
Net current assets	1,660,184	—	981,408	24,339	2,665,931
Total net assets	1,660,184	4,468,428	24,712,969	24,339	30,865,920
Unrealised gains included above on investments (see below)					
	—	—	2,628,199	—	2,628,199
Reconciliation of movements in unrealised gains on investments:					
Unrealised gains at 1 April 2021	—	—	2,286,589	—	2,286,589
Less: Amount in respect to disposals in year	—	—	(65,782)	—	(65,782)
Less: Net gains arising on revaluation in year	—	—	407,392	—	407,392
Unrealised gains at 31 March 2022	—	—	2,628,199	—	2,628,199

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

22 Operating lease commitments

At 31 March 2023, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2023	2022
	£	£
Operating lease payments due:		
. Within one year	7,306	5,054
. One to two years	6,017	3,523
. Two to five years	7,157	1,354
	20,480	9,931

23 Related party transactions

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

During the year, the CIO donated £1,209,910 (2022 - £1,232,815) to the Irish Trust, the majority of which was used towards the living and care costs of the sisters living in Ireland along with property and governance costs. In addition to this transaction, the CIO received from the Irish Trust a donation of £nil (2022 - £1,550,161) which related to the proceeds from the sale of land.

Two of the trustees remain trustees of the Sacred Hearts Sisters 1983 Charitable Fund, the Charitable fund paid the CIO £9,323 (2022 - £7,246) contribution towards staffing costs (and recorded as Miscellaneous income) borne by the CIO in administering the Charitable Fund. The Charitable Fund paid the CIO £217,500 (2022 - £290,000) in the year as a rental for the 2 schools buildings occupied under licence by the 1983 Charitable Fund. During the year end 2022 the 1983 Charitable fund made a a payment of a salary for one sister who was employed by the 1983 Charitable fund of 2022 - £76,793) nothing was paid in the 2023 year end. The CIO also donated a sum of £nil to the 1983 Charitable Fund in the year (2022 - £40,800).

Other than the receipt of donations from the trustees (see note 12) there were no other related party transactions during the year which require disclosure (2022 - none).

24 Other connected entities

♦ St Dominic's School, Hambledon

St Dominic's School, Hambledon was a registered charity (Charity Registration No. 1004590 and Registered Name - The Congregation of Religious Women Known as the Sisters of the Sacred Hearts of Jesus and Mary).

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

St Dominic's School, Hambledon was dormant but, as stated above, retained the ownership of the land and buildings occupied by the School, however as part of the transfer from the Sacred Hearts Sisters 1983 Charitable Fund, a general vesting document, dated 1 April 2019, was prepared transferring the ownership of the property to the newly formed CIO.

24 Other connected entities (continued)

- ◆ Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales))

Harmony House Dagenham Community Interest Company works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough.

The Community Interest Company operates from premises which were owned by the charity during the year rent was charged at £10,000 (2022 - £33,750).

The charity made a donation to the Community Interest Company of £2,576 (2022 - £11,481) during the year.

25 Contingent liability

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

26 Membership of the CIO and member's liability

The Congregational Leader shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as she holds that office.

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

27 Post balance sheet event

On 1 June 2023 the charity received an unrestricted donation of €2,183,809 from The Congregation of the Sacred Hearts of Jesus and Mary Trust Company Limited, an entity registered in Ireland (Irish Company Registration Number 197997, Irish Charity Registration Number 20016418). The trustees will use these funds to cover donations made by the charity towards the costs of the Irish Trust in recent years, and to continue the support of the ongoing work of the Irish Trust for the future.