

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

**Annual Report and Accounts**

31 March 2024

Charity Registration Number  
1179804

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

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

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

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

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

## Report of the trustees Year to 31 March 2024

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

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

### Introduction

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

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

The Vision and Mission Statement of the Sisters is:

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

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

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

### **Mission**

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

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

### **Activities, achievements, specific objectives and relevant policies**

#### ***Health***

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

#### ***Marian House Care Home***

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

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

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

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

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

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

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

***Health*** (continued)

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

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

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

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

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

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

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

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

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

***Health (continued)***

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

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

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

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

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



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



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

***Health*** (continued)

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

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

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

***Education***

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

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

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



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

***Pastoral Ministry***

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

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

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

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

***St Augustine's Priory House of Prayer***



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

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

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

***Justice and Peace***

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

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

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

***Sacred Heart Companions***

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

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

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

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

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

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

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

***Victor Braun Federation***

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

***Overseas Outreach***

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

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

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

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

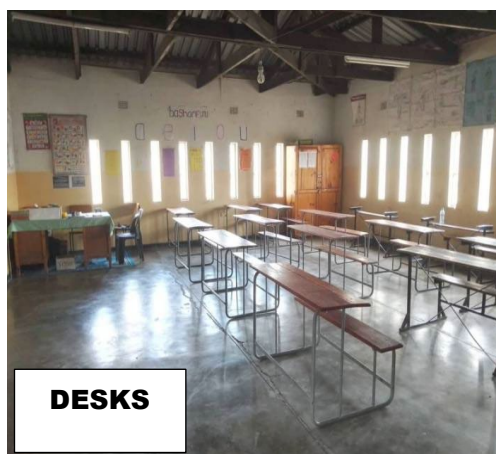
The Sisters of the Sacred Hearts of Jesus and Mary (SSHJM) provide inclusive rehabilitation services for vulnerable children in Chingola, Zambia. With the generous support of individual donors, the SSHJM have been able to make significant steps in addressing the needs of street children, orphans, and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

***Education and Skills Development***

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

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

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



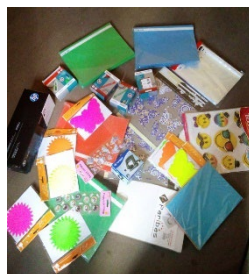
The new desks have made the classroom more conducive to learning, allowing the children to concentrate better and improve their academic performance. Having proper seating helps create a positive and encouraging atmosphere, which enhances Education.



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

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

***Education and Skills Development*** (continued)



***Learning and teaching materials procured***

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



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

***Feeding Programme***

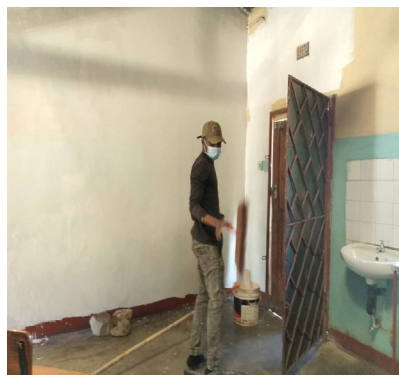
The feeding programme runs for 3 days in a week as most of these come from low-income households resulting in having one meal per day or going to bed without food at all. Under this activity, the sisters were able to feed 79 children per week. Most of these children are dropouts from schools and resort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

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

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

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

***Feeding Programme (continued)***



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

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



One of the volunteer parents preparing meals for the children

The children saying the Grace before meals.



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

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

***Feeding Programme (continued)***

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



***Uganda – Disability support and water tank projects***

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

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

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

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



*Bukenya James of Wakiso village Nama SubCounty Mukono District*



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

***Uganda – Disability support and water tank projects (continued)***

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

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

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



*Katende Imuran of Kakoola Katoogo Nama Sub County*

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

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

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

***Uganda – Disability support and water tank projects (continued)***

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



*Nalubega Rebecca of Lwanyonyi Village Nama Sub County Mukono District*

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

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



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

***Uganda – Disability support and water tank projects (continued)***

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



Drip irrigation after water tank installed to help families with farming

### **Investment policy**

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

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

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

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

### **Future plans**

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

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

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

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

### **Financial review**

#### ***Results for the year***

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

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

**Financial review** (continued)

***Results for the year (continued)***

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

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

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

***Investment performance***

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

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

***Reserves policy and financial position***

***Reserves policy***

The reader will discern from the foregoing that the charity has carried out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing. The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to its ministry and the provision of care, the level of free reserves should be between 3 and 6 months' projected expenditure (i.e. approximately £1,200,000 to £2,400,000).

***Financial position***

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

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

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

***Financial position*** (continued)

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

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

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

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

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

**Governance, structure and management**

***Governance***

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

**Governance, structure and management** (continued)

***Governance*** (continued)

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

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

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

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

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

***Sister Elizabeth Dawson***

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

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

## **Governance, structure and management (continued)**

### ***Governance (continued)***

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

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

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

### ***Sister Mary Dargie***

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

### ***Sister Elizabeth Mooney***

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

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

### ***Sister Mwalula Yvonne Mwila***

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



**Governance, structure and management** (continued)

***Governance (continued)***

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

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

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

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

***Sister Julie Rose***

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

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

**Governance, structure and management** (continued)

***Trustees' responsibilities***

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

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

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

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

***Key management***

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

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

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

## Governance, structure and management (continued)

### Structure and management reporting

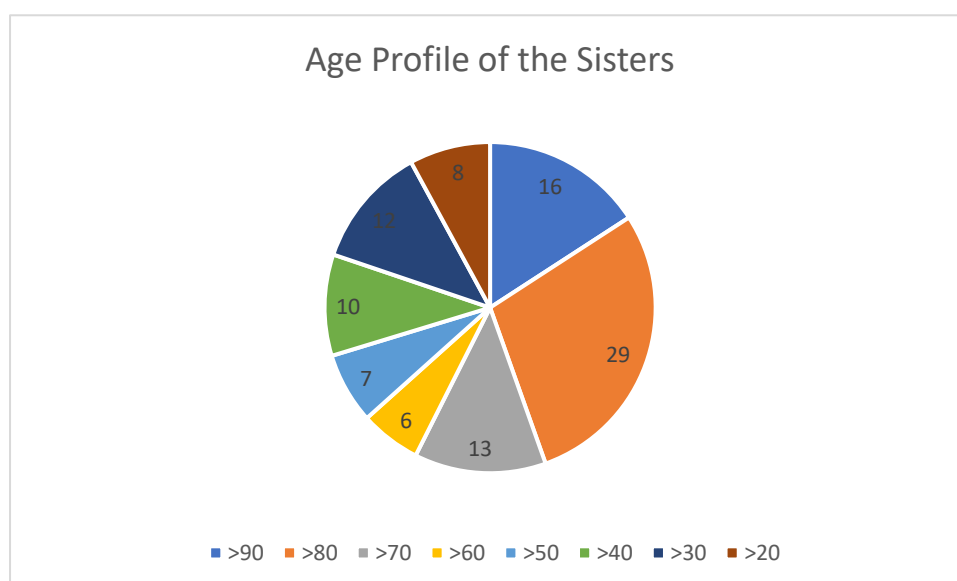
The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional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

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

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

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

The age range of sisters is as follows:



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

**Governance, structure and management** (continued)

***Structure and management reporting*** (continued)

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

♦ A Care Home.

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

♦ One facility for Prayer and Retreats

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

***Working with other organisations***

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

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

***Public benefit***

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

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

**Governance, structure and management** (continued)

***Public benefit*** (continued)

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

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

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

***Risk management***

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

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

***Governance and management***

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

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Governance and management* (continued)

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

*Safeguarding*

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

*Financial*

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

*Reputational*

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

*Operational*

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

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Operational* (continued)

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

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

**Fundraising statement**

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

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

**Summary and acknowledgements**

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

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

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

Approved by the trustees and signed on their behalf by:

**Sr Julie Rose**  
Trustee

Approved by the trustees on: 18 December 2024

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

**Opinion**

We have audited the accounts of the Sisters of the Sacred Hearts of Jesus and Mary CIO (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



### **Other information**

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 24, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the accounts**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Use of our report**

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

15 January 2025

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

## Statement of financial activities Year to 31 March 2024

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

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

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

## Balance sheet 31 March 2024

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

Approved by the trustees and signed on their behalf by:

**Sr Julie Rose**

Trustee

Approved on: 18 December 2024

## Statement of cash flows Year to 31 March 2024

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

### Notes to the statement of cash flows for the year to 31 March 2024.

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

|   | 2024<br>£          | 2023<br>£   |
|---|--------------------|-------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>1,242,071</b>   | (3,103,234) |
| <b>Adjustments for:</b>   |                    |             |
| Depreciation charge   | <b>196,320</b>     | 164,880     |
| (Gains) losses on investments   | <b>(1,219,015)</b> | 1,047,509   |
| Investment income and interest receivable                                   | <b>(729,677)</b>   | (716,138)   |
| Net gains on disposal of tangible fixed assets                              | <b>(11,241)</b>    | (623)       |
| Decrease (increase) in debtors  | <b>157,229</b>     | (279,346)   |
| (Decrease) increase in creditors  | <b>(45,107)</b>    | 70,749      |
| <b>Net cash used in operating activities</b>                                | <b>(409,420)</b>   | (2,816,203) |

#### B Analysis of cash and cash equivalents

|  | 2024<br>£        | 2023<br>£ |
|--|------------------|-----------|
| Cash at bank and in hand               | <b>2,249,760</b> | 1,612,022 |
| Cash held by investment managers       | <b>170</b>       | 89        |
| <b>Total cash and cash equivalents</b> | <b>2,249,930</b> | 1,612,111 |

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



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

### **Basis of preparation**

These accounts have been prepared for the year to 31 March 2024 with comparative information provided in respect to the year to 31 March 2023.

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

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

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

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

### **Critical accounting estimates and areas of judgement**

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

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

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ Determining the value of designated funds, in particular in respect to the assumptions made in determining the value of the retirement fund; and

### **Assessment of going concern**

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

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

### **Income recognition**

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

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

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

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

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

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

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

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

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

**Income recognition** (continued)

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

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

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

**Expenditure recognition**

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

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

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

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

### **Expenditure recognition (continued)**

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

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

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

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

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

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

### **Tangible fixed assets**

#### **◆ Inalienable land and buildings**

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

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

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

#### **Tangible fixed assets** (continued)

◆ Other freehold land and buildings

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

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

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

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

◆ Furniture and equipment

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

◆ Motor vehicles

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

#### **Fixed asset investments**

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

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

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

### **Programme related investments**

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

### **Debtors**

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

### **Cash at bank and in hand**

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

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

### **Creditors and provisions**

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

### **Fund accounting**

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

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

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

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

**Foreign currencies**

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

**Pension costs**

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

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

**Services provided by members of the Congregation**

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

**Operating leases**

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



**1 Donations and legacies**

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

**2 Investment income and interest receivable**

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

**3 Income from charitable activities**

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

**4 Income from other sources**

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

**5 Charitable donations and support of missionary work**

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

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

Grants and donations paid to other organisations comprised:

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

**6 Provision of care**

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

**7 Support of the sisters and their ministry**

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

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

**8 Support costs**

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

|                             | Provision of care<br>£ | Support of sisters and their ministry<br>£ | Total<br>2023<br>£ | 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   |
|                             | <b>36,394</b>          | <b>117,220</b>                             | <b>153,614</b>     |                        |

**9 Governance costs**

|                        | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>2024<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>2023<br>£ |
|------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|
| Auditor's remuneration | 32,310                  | —                     | 32,310                   | 40,590                  | —                     | 40,590                   |

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

This is stated after charging:

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

**11 Staff costs and remuneration of key management**

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

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

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

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

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

|                                       | 2024<br>No. | 2023<br>No. |
|---------------------------------------|-------------|-------------|
| Provision of care                     | 33          | 30          |
| Support of sisters and their ministry | 23          | 24          |
|                                       | 56          | 54          |

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

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

**11 Staff costs and remuneration of key management (continued)**

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

**12 Trustees' expenses and remuneration and transactions with trustees**

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

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £161,798 (2023 - £344,156). The 2023 figure included a lump sum pension receivable.

**13 Taxation**

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

**14 Tangible fixed assets**

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

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

**14 Tangible fixed assets** (continued)

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

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

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

**15 Investments**

At 31 March 2024 fixed asset investments comprised:

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

**a. Programme related investment properties**

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

The properties included as programme related investments comprised:

|                                   | 2024<br>£        | 2023<br>£ |
|-----------------------------------|------------------|-----------|
| 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 |
|                                   | <b>5,661,846</b> | 5,661,846 |

**Harmony House Dagenham**

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

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

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

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

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

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

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

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

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

**16 Debtors**

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

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



**17 Creditors: amounts falling due within one year**

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

**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<br>April<br>2023<br>£ | Income<br>£ | Expenditure<br>£ | Transfer to<br>general<br>funds<br>£ | At 31<br>March<br>2024<br>£ |
|------------------------|----------------------------|-------------|------------------|--------------------------------------|-----------------------------|
| Overseas Missions fund | 27,572                     | 87,266      | (27,778)         | —                                    | 87,060                      |

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

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

♦ Overseas Missions fund

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

**19 Designated funds**

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

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

## 19 Designated funds (continued)

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

## 20 Tangible fixed assets fund

|                       | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------|--------------------|--------------------|
| At 1 April 2023       | 4,352,009          | 4,468,428          |
| Movements in the year | (64,464)           | (116,419)          |
| At 31 March 2024      | <b>4,287,545</b>   | 4,352,009          |

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

## 21 Analysis of net assets between funds

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

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

## 22 Operating lease commitments

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

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

## 23 Related party transactions

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

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

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

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

## 24 Other connected entities

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

#### **24 Other connected entities (continued)**

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

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

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

#### **25 Contingent liability**

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

#### **26 Membership of the CIO and member's liability**

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

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