

**Sisters Hospitallers of the
Sacred Heart of Jesus CIO**

Unaudited Report and Accounts

31 December 2022

Charity Registration Number
1198657

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

Trustees	Sister Maria Lourdes Sanz (Chair) Sister Encarnación Aguayo Sister Tomasa de la Torre
Provincial Superior	Sister Maria Lourdes Sanz
Provincial Bursar	Sister Encarnación Aguayo
Provincial Secretary	Sister Ana M Oroz
Principal office	St Teresa's Home 42 Roland Gardens London SW7 3PW
Telephone	020 7373 3054
Facsimile	020 7259 2446
Website	www.sistershospitallers.org
E-mail	provincial@hsc-uk.org
Charity registration number	1198657
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Report of the trustees Period from 19 April 2022 to 31 December 2022

The trustees present their report together with the accounts of the Sisters Hospitallers of the Sacred Heart of Jesus CIO (the "charity") for the period from the date of incorporation (19 April 2022) to 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 9 and 10 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), have been followed in the preparation of this report and accounts.

Introduction

The Congregation of Sisters Hospitallers of the Sacred Heart of Jesus (the "Congregation") is an international Roman Catholic religious congregation, supporting 890 sisters worldwide. It was founded in Spain in 1881. The purpose of the Congregation is to glorify God the Father, reproducing in us the sentiments of the Heart of the Son by the action of the Spirit, continuing in the Church and for the world the saving mission of Jesus, on behalf of people with psychiatric illnesses, and with intellectual and physical disabilities, with a preference for the poor.

We also perform our mission in other areas of the apostolate, caring for people in a state of distress, or particular vulnerability, depending on the time and the place, in accordance with our charism.

The Generalate is based in Rome and the Congregation is divided into a number of individual canonical provinces. The English Province supports care homes, hospitals and health centres in England, Ghana and Liberia.

The Sisters Hospitallers of the Sacred Heart of Jesus CIO was established on 19 April 2022, and remained dormant in the period to 31 December 2022. With effect from midnight on 31 January 2023, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust (Charity Registration No. 255695) were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO).

The charity is governed by a Constitution dated 19 April 2022 and is registered with the Charity Commission, Charity Registration No. 1198657.

Mission

The mission of the Congregation seeks to be consistent with its origins and to respond to present challenges. Its purpose and practice reveal the relevant and concrete mission of serving the person in their suffering, and in society by offering in a variety of ways, the good news of the encounter that heals, integrates, generates and fosters humanity and holistic care. It does so by providing specialised and preferential care for people with psychiatric illness, physical and learning disabilities, with special preference for the poor.

Mission (continued)

The English Province of the Congregation of the Sisters Hospitallers of the Sacred Heart of Jesus aims to care for the elderly with dementia and Alzheimer's, together with other charitable works according to our charism, including caring and supporting the members of our Congregation. In Ghana and Liberia, the Sisters care for people with mental illness in addition to providing general health care; this work will be supported financially by the charity with effect from 1 February 2023. These ministries all benefit members of the general public.

Public benefit

The charity will ensure that it is acting in the public benefit and the Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit.

Values

The Congregation considers its values to be a key distinctive feature, as they are qualities which define the Sisters' projects, significantly characterise their activities and manifest their special way of working.

Hospitaller values are part of our tradition – **Hospitality** is the crucial overarching value and comprises the following:

- ♦ ***Sensitivity for the excluded.*** Our hospitality demonstrates and encourages empathy, particularly for those who are excluded due to mental illness or disability.
- ♦ ***Service to the sick and needy.*** Everything in our organisation and all the people who are involved in it are here to serve the people we treat; they are our central focus.
- ♦ ***Liberating welcome.*** Our care is characterised by the warmth of our hospitality, which we offer patiently and voluntarily. We aim to provide the best possible rehabilitation and we care for our residents in a warm, home-like atmosphere.
- ♦ ***Holistic health.*** We offer a holistic approach to healthcare, based on integral humanism. Our aim is to cure and provide care.
- ♦ ***Professional quality.*** We provide effective service based on professional rigour, efficient management, teamwork, adaptation of apparatus and ongoing refresher training for our professionals.

Values (continued)

- ♦ ***Humanity in care.*** We seek humanisation, both explicitly and practically, in all our approaches and activities. Our care is envisaged as a human encounter that prioritises personal dignity.
- ♦ ***Respect of ethical standards.*** We set high standards as regards ethics, respecting the principles of bioethics and hospitality in everything we do. and
- ♦ ***Historical awareness.*** We promote an individual and group awareness of forming part of the Hospitaller history: faithful to its origins, we are the protagonists of its present and the builders of its future.

Governance, structure and management

Member and member's liability

The Provincial Superior of the Congregation for the time being 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.

In the event that the CIO is wound up the member has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

In terms of Canon Law, the Congregation of Sisters Hospitallers of the Sacred Heart of Jesus is governed at international level by the Superior General and her Council in Rome. They are elected every six years at a General Chapter, by representatives of the Congregation from around the world. The English Province is governed by the Provincial and her Council who are in turn elected by representatives of the members of the English Province.

The Superior General is required to make a canonical visit at least once every six years, as well as the Provincial. The Provincial ensures that centres are visited on a regular basis throughout her term of office to ensure that the people who use the service are being adequately supported.

In respect to Civil Law the charity is registered with the Charity Commission in England and Wales.

At any time there must be at least three trustees, the majority of whom must be members of the Congregation and the majority of whom must profess the Roman Catholic faith. The Provincial Superior of the Congregation will be, ex-officio, a trustee for as long as she holds that office. Other trustees are appointed by a resolution in writing by the Provincial Superior. Trustees are chosen having regard to the skills, knowledge and experience needed for the effective administration of the CIO and for their understanding and experience of the ministries of the Congregation.

When new Trustees are elected, they will be properly inducted in respect to their role and responsibilities and the Provincial Superior will keep them up to date on a regular basis about developments in the Congregation that are of relevance to the CIO.

Governance, structure and management (continued)

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period 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 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, applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 investment managers, solicitors and accountants.

Key management personnel

The trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The trustees receive no remuneration in respect of their duties.

Governance, structure and management (continued)

Risk management

The trustees will undertake a full risk assessment following the transfer of the activities, assets and liabilities from the Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust with effect from midnight on 31 January 2023. They will report on this in their report for the year ending 31 December 2023.

Activities and performance

The charity had no activities and hence no income or expenditure in the period ended 31 December 2022.

Future plans

With effect from midnight on 31 January 2023, the activities, assets and liabilities of The Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust (the predecessor charity) were transferred to the charity and, as a consequence, the charity commenced its activities on 1 February 2023..

The trustees will continue to tentatively explore re-commencement of the major capital projects that were put on hold in 2016 by the predecessor charity, namely the redevelopment and expansion plans for Addlestone.

The trustees are also looking to future proof the charitable work by considering alternative legal structures and re-looking at the modus operandi of the Care Homes now operated through the charity with effect from 1 February 2023.

The charity anticipates continuing to support the work of various projects linked to the English Province of the Congregation in African countries in the same way as its predecessor charity.

Reserves policy

The charity will carry out a diverse range of activities that were previously carried out by its predecessor charity. The trustees of both the charity and its predecessor 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 policy of the trustees will be for the charity's free reserves to equate to up to twelve months' expenditure.

Signed on behalf of the trustees


Trustee

Approved by the trustees on:

Statement of financial activities Period from 19 April 2022 to 31 December 2022

	19 April 2022 to 31 December 2022 £
Total income	—
Total expenditure	—
Net income and net movement in funds for the period	—
Reconciliation of funds:	
Total funds carried forward at 31 December 2022	—

The charity had no recognised gains and losses during the above financial period and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 December 2022

There has been no activity from the date of incorporation (19 April 2022) to 31 December 2022. The charity had no assets or liabilities at 31 December 2022.

Approved by the trustees
and signed on their behalf by:

M. Louder SM3

Trustee

Approved on:

Principal accounting policies 31 December 2022

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 period from incorporation on 19 April 2022 to 31 December 2022.

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

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

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

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

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Other than the assessment of going concern, the preparation of the accounts did not require the trustees to make any significant judgements or estimates.

Cash flow statement

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Charities SORP (FRS 102) Update Bulletin 1.

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.

Principal accounting policies 31 December 2022

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.

1 Staff costs and remuneration of trustees and key management personnel

During the period the charity employed no staff and therefore incurred £nil staff costs.

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

The trustees received no remuneration or reimbursement of expenses in connection with their duties.

2 Taxation

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

3 Member and member's liability

The Provincial Superior of the Congregation for the time being 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.

In the event that the CIO is wound up the member has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

4 Post balance sheet event

With effect from 1 February 2023, the activities, assets and liabilities of The Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust have been transferred to the charity and, as a consequence, the charity will commence its activities from that date.

The net assets transferred at that date comprised:

	2023 £
Tangible fixed asset	
· Cost	21,580,590
· Depreciation	<u>(1,788,885)</u>
	19,791,705
Fixed asset investments	8,218,887
Debtors	231,370
Cash and cash equivalents	3,707,705
Creditors: amounts falling due within one year	<u>(504,454)</u>
	<u>31,445,213</u>

4 Post balance sheet event (continued)

The above assets and liabilities were represented by the following funds:

	2023 £
Unrestricted funds	
. General funds	6,653,508
. Designated funds	5,000,000
. Tangible fixed assets	19,791,705
	<u>31,445,213</u>