

# SACRED HEART FATHERS TRUST

England & Wales · Charity number 215011

## Details

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Other names	SACRED HEART FATHERS TRUST, SOCIETY OF THE PRIESTS OF THE SACRED HEART (SACRED HEART FATHERS), TRUST PROPERTY ADMINISTERED IN CONNECTION WITH THE SOCIETY OF THE PRIESTS OF THE SACRED HEART (SACRED HEART FATHERS), SACRED HEART FATHERS
Status	Registered
Legal form	Other
Registered	1963-05-08
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address Smithstone House  
Dalgarven  
Kilwinning  
KA13 6PL

Phone 01294552515

Email [pboffice2015@gmail.com](mailto:pboffice2015@gmail.com)

## Activities

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**Objects:** SUCH CHARITABLE PURPOSES AS SHALL ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE SOCIETY AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT ( INCLUDING THE ADVANCEMENT OF RELIGION, THE EDUCATION AND RECREATION OF CHILDREN AND YOUNG PEOPLE, THE PASTORAL CARE OF INDIVIDUALS AND THE RELIEF OF POVERTY AND SICKNESS) OR FOR SUCH OTHER LAWFUL CHARITABLE PURPOSES CONNECTED WITH THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL DETERMINE.

**Activities:** The order operates retreats and spiritual exercises on a daily basis at various locations within the British Isles. Smithstone House in Kilwinning facilitates a community service learning program for offenders. The order promotes courses and conferences for young people from inner cities and deprived areas. In Bootle the order also cares for seafarers, most of whom come from developing countries.

## Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

## Geography

- Ireland
- Scotland
- Cheshire West & Chester
- Stockport

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£434,116	£572,668	-	-
2024-06-30	£605,031	£811,097	£11,304,848	2
2023-06-30	£401,000	£612,000	-	-
2022-06-30	£504,000	£608,000	£11,437,000	2
2021-06-30	£473,088	£517,988	-	-
2020-06-30	£483,756	£598,333	-	-

## Trustees

Name	Role	Appointed
REVEREND J KELLY	Chair	
REVEREND H HANLEY		
REVEREND R MANN		2014-03-01
Rev Marian Szalwa		2023-03-01
Rev Michel Simo Temgo		2023-03-01

**SACRED HEART FATHERS TRUST**

England & Wales - Charity number 215011

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# Accounts

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**Report of the Trustees and  
Financial Statements  
for the Year Ended 30 June 2025  
for  
Sacred Heart Fathers Trust**

DJH Audit Limited  
Oriel House  
2-8 Oriel Road  
Bootle  
L20 7EP

**Sacred Heart Fathers Trust**

**Contents of the Financial Statements  
for the Year Ended 30 June 2025**

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## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2025

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objective of the charity is the advancement of religion.

This includes:

- The pastoral care of individuals and groups.
- To provide places of spiritual retreat, courses in personal development and religious education
- Assistance with the on-going education of children and young adults
- The relief of poverty and sickness at home and abroad. To assist in the relief of poverty and its consequences in areas of the mission of the Congregation and in areas of natural disasters.
- Welcoming students from poorer countries to study at accredited educational facilities in the UK and Ireland.
- Welcoming students to study at recognised English language schools to enable the international development of the Congregation.
- Providing places of retreat open to all.
- Life - long care for the members. To promote the spiritual, moral, and intellectual wellbeing of the Members of the Congregation.
- To provide services and nursing care for the sick and elderly Members of the Congregation in accordance with the core values and ethos of the Congregation.

## ACHIEVEMENTS AND PERFORMANCE

### Charitable activities

The main object for which the charity is established is to advance religion through the educational, social and charitable works carried on by the Congregation of The Priests of the Sacred Heart of Jesus in England and Wales, Scotland, Ireland and throughout the World in accordance with the ethos, mission and philosophy of Father Leo John Dehon and to provide for the Members of the Congregation during their lives.

The Sacred Heart Fathers continue to offer support for students, adults, retreats, quiet times, spiritual direction and accompaniment for individuals and groups in various locations throughout Great Britain and Ireland. By its very nature the Congregation is an apostolic institute; and so we readily place ourselves at the service of the Church in its various pastoral works. The charity provides facilities where individuals and groups can gather for periods of prayer, silence and recollection. It also provides for the religious needs of people by providing religious services and offering spiritual guidance.

The administrative Centre for the group is at St John's, Stockport, where, as well as offices for the Province Administration, provision is made for older members, assisted by the services of the St John of God Hospitaller Service. The Sacred Heart Fathers witnesses to the Christian faith in both the local and wider community through the provision of worship and prayer space. While St John's is the administrative centre and a residence for the elderly, the facilities of the house are also used to enable people to participate in liturgies and gatherings for prayer. Courses on faith development are offered and groups are able to attend for day retreats or days of recollection. At St John's, the Sacred Heart Fathers also provide for the human development of people by providing courses on psychology and spirituality. Visiting members of the Congregation from abroad are also welcomed at St. John's. Members come for meetings of the Sacred Heart Fathers and have the possibility to spend some time of sabbatical there. Members of the community at St John's assist in neighbouring parishes as well as providing opportunities for prayer and worship at the centre itself. There was an decrease in maintenance costs at St John's during the period. However, maintenance is an ongoing issue. Also heat and light costs increased due to the need to provide a warm and safe environment for the elderly there.

St John's is also the setting for the Promotions Office - the function of which is to promote the spirituality of the Sacred Heart and to keep in contact with benefactors. Various mailings are sent out during the year to our benefactors during the year. A letter is written at least twice a year informing benefactors of recent news and events and inviting them to make a contribution to the work of the Sacred Heart Fathers. The Sacred Heart Fathers greatly value their benefactors and their generous contributions.

Currently, the Order administers the parish of St John Vianney on behalf of the Archdiocese of Dublin. In the pastoral care of those entrusted to us we aim to give concrete expression to our spirituality and develop the life of the Church. In the parish the Sacred Heart Fathers minister to people of all age groups - providing religious services, pastoral accompaniment and enabling people to participate in liturgies. There is also a developing multicultural focus in the parish - with ministry to Indian, Polish, Filipino, and other nationalities attending services there. The Sacred Heart Fathers assist in other parishes in England and Wales, Scotland and Ireland.

The Sacred Heart Fathers are committed to provide support and assistance in the safeguarding of children and vulnerable adults. The Trust implements best practice in safeguarding, ensuring that children and vulnerable adults are safe and well looked after while in the care of any ministry of the Congregation. Members attend training in safeguarding and ensure continual professional development. The Charity is affiliated to the National Religious Life Safeguarding Service in England and Wales, the National Board for Safeguarding Children in the Catholic Church in Ireland and The Scottish Catholic Safeguarding Standards Agency. It also has the services of a safeguarding co-ordinator and has a designated liaison person. All members coming from abroad to engage in any public ministry must provide a testimony of suitability, agree to police vetting and comply with all safeguarding policies and procedures. The Sacred Heart Fathers are committed to properly resource and finance any safeguarding initiative.

The Congregation continues to develop our ministry at Smithstone House, Kilwinning, Ayrshire, Scotland. The community organise religious services and adult spiritual formation courses. Adult faith formation courses and days of retreat are given at various times. It is possible for people to spend time here undisturbed, in silence and tranquillity. Facilities are developed and improved to provide better space for visitors on retreat or attending religious services. This place, for silence, prayer and reflection, is open to all people who seek personal renewal and space. We will continue to use our facilities for prayer and retreat - both for individuals and groups. A particular focus in the period was to continue to improve the facilities of the house and grounds. Both contribute to creating a space for prayer, silence and recollection. This is reflected in the expenditure of the period.

With this in mind, the community at Smithstone House also seeks to promote the protection of the natural environment through education and encouraging public awareness on the importance of the protection of the environment. New shrubs and trees are planted each year as part of our commitment to care for the environment. This also reflects the current thinking, rooted in the writing of Pope Francis, of caring for the earth and our natural environment - also as a path of prayer, renewal, refreshment and finding God in nature.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2025

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The community at Inchicore Road, Dublin, Ireland, is the main formation community and welcomes new candidates to the Congregation. It is also a residence for elderly retired members. As the centre of formation it also welcomes students from the Congregation who come from abroad to study. Members of the Congregation from other Provinces, such as Spain, Portugal and Italy are welcomed at Inchicore Road for periods of sabbatical and renewal. Others members, particularly Asian and South American, join with the community while attending English language courses in Dublin. This is to enable those members to develop their ministry to English speakers throughout the world - both in the academic and pastoral settings. English language course fees increased during the period as individuals spent longer at the schools. Since members from abroad attend various academic and training courses the community at Inchicore Road has higher spending in this area. The community also welcomes individuals and groups from the local community for personal development and spiritual growth.

The community at Inchicore Road is also a centre for the care of sick, retired and elderly members from the Province. Maintenance costs at Inchicore increased - reflecting extra plumbing and electrical costs. To provide for the care of the elderly two staff are employed. Consequently, the community at Inchicore Road has a higher wage bill than any other community. It also has the assistance of qualified volunteers available to assist in care giving.

Elderly members in each community house continue to be available to support the work of the Trust through prayer, being available to listen to and support individuals come to our houses. Often this is an undervalued ministry since it is quieter but it is a real service offered to people. When the community is unable to provide a level of appropriate care, individual sick and elderly members can become resident in a nursing home. Depending on the needs of the individual, this can be on a temporary or permanent basis. This situation is constantly under review. It is our intention that all members should be able to stay in the community for as long as possible. However, it is likely that this cost will increase in the future - as more professional assistance is required for the sick and elderly.

The Trust supports members of the Sacred Heart Fathers who work in some of the poorest parts of Europe, e.g. Moldova / Transdnier and across the world in the Philippines, Vietnam and Cameroon. The fund for Moldova was set up after the visit of the Provincial to the area some years ago - and is a response to the extreme poverty of people there. The fund is used to help the Congregation develop its spiritual and social mission in Moldova - providing material aid and also helping to support the pastoral work of the Congregation in Moldova. The funds will be used to alleviate poverty, give support to local communities, providing adult and youth formation, and provide part contribution towards the building of pastoral centre and churches, local medical centres and so on. The project is part of contribution of the Congregation to the overall mission of the Church in Moldova.

In line with Catholic social teaching, the charity will respond in the relief of poverty and its consequences both at home and in areas of the mission of the Congregation and in areas of natural disasters. Where appropriate the Charity will liaise with other bodies involved in charitable works having a main object similar to those of the Sacred Heart Fathers Trust. This is an expression of the philosophy and ethos of the Sacred Heart Fathers. Members are also committed to the philosophy and practice outlined by Pope Francis in his Encyclical, *Laudato Si* (our common home is like a sister with whom we share our life).

Each community uses volunteers in various capacities. The roles now include assisting in administration, caring for the sick, elderly and disabled (including some volunteer retired nurses), housekeeping and cleaning. Whilst the volunteers' work is greatly appreciated it is not appropriate to place an economic value on it and it is therefore not included in the Statement of Financial Activities.

Like all Religious Orders in Europe the Congregation has seen a decline in membership in recent years - mainly due to the death of elderly members. However, priests and brothers from other parts of the Order have come to live and minister here on a permanent or extended basis (always in compliance with visa regulations when required). The international leadership of the Sacred Heart Fathers in Rome is keen to promote the exchange of appropriately qualified personnel. Exchange of personnel is always under review and all must comply with police vetting and safeguarding policy.

Part of the work of the Charity is to promote vocations and ongoing formation. This is to educate and train both current and new Members of the Congregation. In recruiting new members, the Charity hope to carry on its work. In providing ongoing formation (or continual professional development) to current members the Charity aims to maintain a professional standard of service.

The Order will continue to look for new ways of fund raising during the year and seek to attract new donors. It will also continue to develop our promotions resources and material. It will continue to develop links with other regions of the Congregation to foster the exchange of personnel. It will also continue to support the education of future priests and brothers for the Order. The Trust will continue to use its resources for public benefit. The Province will continue to build on the work already being and seek new and creative ways to promote and develop the work of the Trust.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2025

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#### FINANCIAL REVIEW

The Provincial Bursar reports regularly to the Trustees and receives financial reports bi-annually from all the communities which are then reviewed.

#### Cash Reserves and Investments

From the balance sheet on page ten of this report it can be seen that there was an increase in the value of the trust from £11,304,848 to £11,378,844.

Cash held in bank accounts and in hand has marginally increased from £3,017,517 to £3,307,916.

The land at Redbourne in Hertfordshire remains let out as farm land. We renegotiated the rent a few years ago but we continue to look into ways that this resource can improve its return for the trust.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Structure

The Congregation of the Priests of the Sacred Heart (SCJ) was founded in France, in 1878. In Great Britain and Ireland the Congregation is known as the Sacred Heart Fathers. In other parts of the world its members are known as the Dehonians in reference to the Founder, Fr. Leo John Dehon. The Sacred Heart Fathers is a Religious Congregation of men within the Roman Catholic Church. It is an international Religious Congregation of over 2300 priests and brothers living and working in 42 countries in five continents.

The Congregation is divided into Provinces, Regions and Districts. The Great Britain - Ireland Province comprises England, Scotland and Ireland. The Congregation first came to England in 1936, to Scotland in 1970 and to Ireland in 1978. Within Great Britain and Ireland (the GBI Province) it operates as a charitable trust with a single governing body, namely the Provincial Council, which manages the group according to the trust deed of the Charity and the Canon law of the Church. The Provincial Council are the trustees of the charity together with the bursar.

There are regular meetings of the Provincial Council throughout the year. Financial matters are discussed by the trustees at designated meetings. The Sacred Heart Fathers operate in accordance with their Constitutions and also the Provincial Directory of September 2014.

##### Risk Management

The trustees accept their responsibility to carry out and to respond to a regular review of the risks to which the Charity is exposed. By means of audits and expert guidance they seek to ensure that appropriate financial controls are in place to provide reasonable assurance against error and fraud. Management recommendations arising from the annual audit are fully discussed at a finance meeting of the trustees and whenever changes are required to be made these are implemented as fully and quickly as possible.

##### Public Benefit

The trustees acknowledge the Charity Commission's guidance on Public Benefit and have taken this into account when reviewing and planning their activities. In their planning for 2024 - 2025 they considered in particular, how best to use the resources of the Charity in respect of the duty of care owed to the older members. They agreed the improvement of facilities at Inchicore Road and Smithstone House to improve facilities for prayer and reflection. The community at Inchicore Road welcomed more members for study and ongoing formation - enabling continuing professional development essential to our ministry to people. They also welcomed members who wished to develop a professional competency in English to work in universities in Europe and Asia. Also, when appropriate, the trustees will invite these and other members back to the Province to give retreats or days of recollection to people from other nationalities who may want to avail of our facilities and services. The plan for the ongoing ministry at St John's, Stockport was also reviewed and agreed.

##### On-Going Training / Professional Development

New trustees are given induction and training as appropriate and have been provided with relevant material. (CC3, & CC35, from the Charity Commission for England and Wales)

The bursar attends courses and conferences designed to keep him up-to-date with best practice in Britain and Ireland.

He has professional assistance from a firm of chartered accountants with understanding of the Charity sector. The bursar is a member of the Association of Province Bursars (APB) and participates in professional development programmes nationally and internationally.

**Sacred Heart Fathers Trust**

**Report of the Trustees  
for the Year Ended 30 June 2025**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**  
215011

**Principal address**  
St John's  
266 Wellington Road North  
Stockport  
Cheshire  
SK42QR

**Trustees**  
Reverend H Hanley SCJ  
Reverend J Kelly SCJ  
Reverend R Mann SCJ  
Reverend M Szalwa SCJ  
Reverend M S Temgo SCJ

**Auditors**  
DJH Audit Limited  
Oriel House  
2-8 Oriel Road  
Bootle  
L20 7EP

**Principal Solicitors**  
Royds RDW  
2 Crane Court  
Fleet Street  
London  
EC4A 2BL

**Principal Bank**  
Lloyds Bank  
Regent Street  
Wrexham  
LL11 1SE

Allied Irish Bank  
Sterling Branch  
St Helen's  
1 Undershaft  
London  
EC3A 8AB

**Registered in Scotland**  
SC 041571

**Registered in Ireland**  
CHY7096

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with law applicable to charities operating in England and Wales, and in Scotland, namely the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the 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.

Approved by order of the board of trustees on .....25/05/2026..... and signed on its behalf by:



.....  
Reverend J Kelly SCJ - Trustee

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

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### Opinion

We have audited the financial statements of Sacred Heart Fathers Trust (the 'charity') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and under Section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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: the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.
- We assessed the susceptibility of the Charity's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities). This description forms part of our Report of the Independent Auditors.

**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 and in accordance with Regulation 10 of the Charities Accounts(Scotland) Regulations 2006. 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 auditors' 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.

*DJH Audit Limited*

DJH Audit Limited  
Oriel House  
2-8 Oriel Road  
Bootle  
L20 7EP

Date: 27/05/2026

Sacred Heart Fathers Trust

Statement of Financial Activities  
for the Year Ended 30 June 2025

	Notes	Unrestricted funds £	Restricted funds £	30.6.25 Total funds £	30.6.24 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	25,252	-	25,252	186,897
<b>Charitable activities</b>	5				
General		121,111	-	121,111	115,387
Other trading activities	3	-	-	-	8,608
Investment income	4	287,754	(1)	287,753	294,139
<b>Total</b>		<b>434,117</b>	<b>(1)</b>	<b>434,116</b>	<b>605,031</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	21,506	-	21,506	19,466
<b>Charitable activities</b>	7				
General		546,043	5,119	551,162	633,768
Extraordinary item		-	-	-	157,863
<b>Total</b>		<b>567,549</b>	<b>5,119</b>	<b>572,668</b>	<b>811,097</b>
Net gains on investments		212,548	-	212,548	484,520
<b>NET INCOME/(EXPENDITURE)</b>		<b>79,116</b>	<b>(5,120)</b>	<b>73,996</b>	<b>278,454</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		11,098,511	206,337	11,304,848	11,026,394
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,177,627</b>	<b>201,217</b>	<b>11,378,844</b>	<b>11,304,848</b>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Balance Sheet  
30 June 2025

	Notes	Unrestricted funds £	Restricted funds £	30.6.25 Total funds £	30.6.24 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	1,871,120	-	1,871,120	1,884,808
<b>Investments</b>					
Investments	14	6,897,873	-	6,897,873	6,719,877
Investment property	15	50,000	-	50,000	50,000
		<u>8,818,993</u>	<u>-</u>	<u>8,818,993</u>	<u>8,654,685</u>
<b>CURRENT ASSETS</b>					
Debtors	16	7,920	-	7,920	419,411
Cash at bank and in hand		3,106,699	201,217	3,307,916	3,017,517
		<u>3,114,619</u>	<u>201,217</u>	<u>3,315,836</u>	<u>3,436,928</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(755,985)	-	(755,985)	(786,765)
		<u>2,358,634</u>	<u>201,217</u>	<u>2,559,851</u>	<u>2,650,163</u>
<b>NET CURRENT ASSETS</b>					
		<u>11,177,627</u>	<u>201,217</u>	<u>11,378,844</u>	<u>11,304,848</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>11,177,627</u>	<u>201,217</u>	<u>11,378,844</u>	<u>11,304,848</u>
<b>NET ASSETS</b>					
		<u>11,177,627</u>	<u>201,217</u>	<u>11,378,844</u>	<u>11,304,848</u>
<b>FUNDS</b>					
Unrestricted funds	19			11,177,627	11,098,511
Restricted funds				201,217	206,337
				<u>11,378,844</u>	<u>11,304,848</u>
<b>TOTAL FUNDS</b>					

The financial statements were approved by the Board of Trustees and authorised for issue on .....25/05/2026..... and were signed on its behalf by:



.....  
J Kelly SCJ - Trustee

Sacred Heart Fathers Trust

Cash Flow Statement  
for the Year Ended 30 June 2025

	Notes	30.6.25 £	30.6.24 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	7,024	(750,439)
Net cash provided by/(used in) operating activities		<u>7,024</u>	<u>(750,439)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(55,847)	(13,072)
Sale of tangible fixed assets		18,553	2,025
Sale of fixed asset investments		34,551	17,758
Interest received		1,745	2,422
Dividends received		284,373	290,143
Net cash provided by investing activities		<u>283,375</u>	<u>299,276</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		3,017,517	3,468,680
Cash and cash equivalents at the end of the reporting period		<u><u>3,307,916</u></u>	<u><u>3,017,517</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2025

<b>1.</b>	<b>RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>30.6.25</b>	<b>30.6.24</b>
		£	£
	<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>73,996</b>	<b>278,454</b>
	<b>Adjustments for:</b>		
	Depreciation charges	69,532	57,368
	Gain on investments	(212,548)	(484,520)
	Profit on disposal of fixed assets	(18,549)	(766)
	Interest received	(1,745)	(2,422)
	Dividends received	(284,373)	(290,143)
	Decrease/(increase) in debtors	411,491	(288,436)
	Decrease in creditors	(30,780)	(19,974)
	<b>Net cash provided by/(used in) operations</b>	<b>7,024</b>	<b>(750,439)</b>
<b>2.</b>	<b>ANALYSIS OF CHANGES IN NET FUNDS</b>		
		At 1.7.24	Cash flow
		£	£
	<b>Net cash</b>		<b>At 30.6.25</b>
	Cash at bank and in hand	3,017,517	3,307,916
		<u>3,017,517</u>	<u>3,307,916</u>
		<u>3,017,517</u>	<u>3,307,916</u>
	<b>Total</b>	<b><u>3,017,517</u></b>	<b><u>3,307,916</u></b>

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Support costs

Costs which, while necessary to deliver an activity, do not themselves produce the activity. They include the central office functions of the charity and are often apportioned to activities. The amount shown here is the total amount of support costs (for charitable, fundraising and governance activities) included in resources expended. They are apportioned at the following percentages.

Governance costs	- 100%
Premises costs	- 10%
Communication costs	- 50%
Travel	- 25%
Personnel	- 10%
Financial	- 25%

### Governance costs

Expenditure on the governance costs of the charity includes expenditure that relates specifically to the strategic and future development of the charity.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment and furniture	- 5% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

### Investment property

The investment property has been valued at £50,000 by the board of trustees.

### Taxation

The charity is exempt from tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The trustees operate each community and project of the charity as a separate designated fund.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1. ACCOUNTING POLICIES - continued

**Fund accounting**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fund transfers occur biannually in the charity to reallocate financial resources between the designated funds and the general fund of the charity. Funds raised or donations authorised by the trustees, for the restricted activities are also transferred.

**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 rate of exchange ruling at the date of transaction

**Investments**

Investments are included in the financial statements at the year end market value. Income from investments, bank and other deposits are included on an accruals basis.

2. DONATIONS AND LEGACIES

	30.6.25	30.6.24
	£	£
Donations	2,771	6,485
Mass stipends	12,721	8,639
Stole fees	-	5,227
Supply fees	6,760	8,600
Legacies	3,000	157,946
	<u>25,252</u>	<u>186,897</u>

3. OTHER TRADING ACTIVITIES

	30.6.25	30.6.24
	£	£
Other income	-	8,608
	<u>-</u>	<u>8,608</u>

4. INVESTMENT INCOME

	30.6.25	30.6.24
	£	£
Rents received	1,635	1,574
Dividend income	284,373	290,143
Deposit account interest	1,745	2,422
	<u>287,753</u>	<u>294,139</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>30.6.25</b>	30.6.24
		£	£
Contributions from members	Activity General	<b>121,111</b>	115,387
		<u>          </u>	<u>          </u>

**6. RAISING FUNDS**

**Investment management costs**

		<b>30.6.25</b>	30.6.24
		£	£
Portfolio management		<b>21,506</b>	19,466
		<u>          </u>	<u>          </u>

**7. CHARITABLE ACTIVITIES COSTS**

		Direct Costs	Support costs (see note 8)	Totals
		£	£	£
General		<b>470,383</b>	<b>80,779</b>	<b>551,162</b>
		<u>          </u>	<u>          </u>	<u>          </u>

**8. SUPPORT COSTS**

		Management	Other	Governance costs	Totals
		£	£	£	£
General		<b>50,970</b>	<b>1,345</b>	<b>28,464</b>	<b>80,779</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**9. OTHER**

		<b>30.6.25</b>	30.6.24
		£	£
Support costs		<b>80,779</b>	227,672
		<u>          </u>	<u>          </u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2025 nor for the year ended 30 June 2024.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2025 nor for the year ended 30 June 2024.

**11. STAFF COSTS**

		<b>30.6.25</b>	30.6.24
		£	£
Wages and salaries		<b>54,242</b>	42,142
Social security costs		<b>5,961</b>	4,299
		<u>          </u>	<u>          </u>
		<b>60,203</b>	46,441
		<u>          </u>	<u>          </u>

The average monthly number of employees during the year was as follows:

		<b>30.6.25</b>	30.6.24
		2	2
Charitable Activities		<u>          </u>	<u>          </u>

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2025**12. EXTRAORDINARY ITEMS**

An ex-gratia payment of £157,863 was made in the previous year.

The amount represents what the trustees considered to be a pastoral and moral obligation.

The payment was intended as compensation in recognition of the suffering caused to one of its beneficiaries by a deceased member of the order. The incident which dated back to 1965 came to light during 2023.

The trustees sought legal advice in respect of this matter and this is now settled.

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Equipment and furniture £	
<b>COST</b>				
At 1 July 2024	1,366,046	1,143,576	191,097	
Additions	-	-	3,001	
Disposals	-	-	-	
At 30 June 2025	1,366,046	1,143,576	194,098	
<b>DEPRECIATION</b>				
At 1 July 2024	543,869	284,161	12,856	
Charge for year	27,321	22,871	662	
Eliminated on disposal	-	-	-	
At 30 June 2025	571,190	307,032	13,518	
<b>NET BOOK VALUE</b>				
At 30 June 2025	794,856	836,544	180,580	
At 30 June 2024	822,177	859,415	178,241	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2024	14,871	65,462	3,181	2,784,233
Additions	479	52,367	-	55,847
Disposals	-	(45,410)	-	(45,410)
At 30 June 2025	15,350	72,419	3,181	2,794,670
<b>DEPRECIATION</b>				
At 1 July 2024	5,082	50,511	2,946	899,425
Charge for year	513	18,105	59	69,531
Eliminated on disposal	-	(45,406)	-	(45,406)
At 30 June 2025	5,595	23,210	3,005	923,550
<b>NET BOOK VALUE</b>				
At 30 June 2025	9,755	49,209	176	1,871,120
At 30 June 2024	9,789	14,951	235	1,884,808

Included in Equipment and furniture are paintings and works of art that were gifted to the charity in 2002. These assets are believed to have residual values not materially different to the carrying values and are therefore not depreciated. These assets were independently valued in March 2002 with a value of £168,000. The replacement value for insurance purposes at September 2014 was approximately £296,000.

**13. TANGIBLE FIXED ASSETS - continued**

At 30 June 2025 Smithstone House in Kilwinning Scotland, is disclosed at a carrying value of £249,677 including improvement costs of £243,090, in the opinion of the trustees this has an approximate market value of £750,000. The market value of all other freehold property is not considered to be materially different from the carrying values.

**14. FIXED ASSET INVESTMENTS**

	UK quoted fixed interest £	Other listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 July 2024	6,700,038	19,839	6,719,877
Disposals	(34,551)	-	(34,551)
Revaluations	209,459	3,088	212,547
	<u>6,874,946</u>	<u>22,927</u>	<u>6,897,873</u>
At 30 June 2025	<u>6,874,946</u>	<u>22,927</u>	<u>6,897,873</u>
<b>NET BOOK VALUE</b>			
At 30 June 2025	<u>6,874,946</u>	<u>22,927</u>	<u>6,897,873</u>
At 30 June 2024	<u>6,700,038</u>	<u>19,839</u>	<u>6,719,877</u>

There were no investment assets outside the UK.

Cost or valuation at 30 June 2025 is represented by:

	UK quoted fixed interest £	Other listed investments £	Totals £
Valuation in 2022	1,389,071	(1,072)	1,387,999
Valuation in 2023	(205,285)	5,782	(199,503)
Valuation in 2024	472,449	(5,687)	466,762
Valuation in 2025	174,908	3,088	177,996
Cost	5,043,803	20,816	5,064,619
	<u>6,874,946</u>	<u>22,927</u>	<u>6,897,873</u>

**15. INVESTMENT PROPERTY**

	30.06.25	30.06.24
	£	£
Agricultural land - Redbourne, Hertfordshire	<u>50,000</u>	<u>50,000</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2025

<b>16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
		<b>30.6.25</b>		30.6.24
		£		£
Other debtors		<b>7,920</b>		419,411
		<u>          </u>		<u>          </u>
<b>17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
		<b>30.6.25</b>		30.6.24
		£		£
Other creditors		<b>755,985</b>		786,765
		<u>          </u>		<u>          </u>
<b>18. LEASING AGREEMENTS</b>				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
		<b>30.6.25</b>		30.6.24
		£		£
Within one year		-		2,445
		<u>          </u>		<u>          </u>
<b>19. MOVEMENT IN FUNDS</b>				
	At 1.7.24	Net	Transfers	At
	£	movement	between	30.6.25
		in funds	funds	£
		£	£	
<b>Unrestricted funds</b>				
General fund	2,839,454	462,375	(255,953)	3,045,876
Pension Augmentation	6,708,087	657	-	6,708,744
Inchicore, Dublin	171,601	(131,414)	190,474	230,661
Promotions	3	(1)	-	2
St. Joseph's, Stockport	(16,624)	-	-	(16,624)
Smithstone House	49,939	(89,691)	67,000	27,248
St. John's, Stockport	1,297,363	(169,444)	(10,043)	1,117,876
Ardlea, Dublin	24,247	6,068	8,522	38,837
Pilgrimage Fund	24,441	566	-	25,007
	<u>11,098,511</u>	<u>79,116</u>	<u>-</u>	<u>11,177,627</u>
<b>Restricted funds</b>				
Moldova fund	191,523	(5,120)	-	186,403
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>(5,120)</u>	<u>-</u>	<u>201,217</u>
<b>TOTAL FUNDS</b>	<u>11,304,848</u>	<u>73,996</u>	<u>-</u>	<u>11,378,844</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2025

## 19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	284,336	(34,509)	212,548	462,375
Pension Augmentation	-	657	-	657
Inchicore, Dublin	24,973	(156,387)	-	(131,414)
Promotions	-	(1)	-	(1)
Smithstone House	13,968	(103,659)	-	(89,691)
St. John's, Stockport	58,290	(227,734)	-	(169,444)
Ardlea, Dublin	51,959	(45,891)	-	6,068
Pilgrimage Fund	591	(25)	-	566
	<u>434,117</u>	<u>(567,549)</u>	<u>212,548</u>	<u>79,116</u>
<b>Restricted funds</b>				
Moldova fund	(1)	(5,119)	-	(5,120)
	<u>434,116</u>	<u>(572,668)</u>	<u>212,548</u>	<u>73,996</u>

## Comparatives for movement in funds

	At 1.7.23 £	Net movement in funds £	Transfers between funds £	At 30.6.24 £
<b>Unrestricted funds</b>				
General fund	2,830,017	189,581	(180,144)	2,839,454
Pension Augmentation	6,217,879	490,208	-	6,708,087
Inchicore, Dublin	217,135	(176,945)	131,411	171,601
Promotions	4	(1)	-	3
St. Joseph's, Stockport	(13,892)	908	(3,640)	(16,624)
Smithstone House	55,587	(70,648)	65,000	49,939
St. John's, Stockport	1,471,944	(168,245)	(6,336)	1,297,363
Ardlea, Dublin	17,581	12,957	(6,291)	24,247
Pilgrimage Fund	23,802	639	-	24,441
	<u>10,820,057</u>	<u>278,454</u>	<u>-</u>	<u>11,098,511</u>
<b>Restricted funds</b>				
Moldova fund	191,523	-	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>-</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,026,394</u>	<u>278,454</u>	<u>-</u>	<u>11,304,848</u>

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	448,557	(253,288)	(5,688)	189,581
Pension Augmentation	-	-	490,208	490,208
Inchicore, Dublin	20,522	(197,467)	-	(176,945)
Promotions	-	(1)	-	(1)
St. Joseph's, Stockport	7,148	(6,240)	-	908
Smithstone House	15,541	(86,189)	-	(70,648)
St. John's, Stockport	55,091	(223,336)	-	(168,245)
Ardlea, Dublin	57,533	(44,576)	-	12,957
Pilgrimage Fund	639	-	-	639
	<u>605,031</u>	<u>(811,097)</u>	<u>484,520</u>	<u>278,454</u>
<b>TOTAL FUNDS</b>	<u>605,031</u>	<u>(811,097)</u>	<u>484,520</u>	<u>278,454</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.23 £	Net movement in funds £	Transfers between funds £	At 30.6.25 £
<b>Unrestricted funds</b>				
General fund	2,830,017	651,956	(436,097)	3,045,876
Pension Augmentation	6,217,879	490,865	-	6,708,744
Inchicore, Dublin	217,135	(308,359)	321,885	230,661
Promotions	4	(2)	-	2
St. Joseph's, Stockport	(13,892)	908	(3,640)	(16,624)
Smithstone House	55,587	(160,339)	132,000	27,248
St. John's, Stockport	1,471,944	(337,689)	(16,379)	1,117,876
Ardlea, Dublin	17,581	19,025	2,231	38,837
Pilgrimage Fund	23,802	1,205	-	25,007
	<u>10,820,057</u>	<u>357,570</u>	<u>-</u>	<u>11,177,627</u>
<b>Restricted funds</b>				
Moldova fund	191,523	(5,120)	-	186,403
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>(5,120)</u>	<u>-</u>	<u>201,217</u>
<b>TOTAL FUNDS</b>	<u>11,026,394</u>	<u>352,450</u>	<u>-</u>	<u>11,378,844</u>

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	732,893	(287,797)	206,860	651,956
Pension Augmentation	-	657	490,208	490,865
Inchicore, Dublin	45,495	(353,854)	-	(308,359)
Promotions	-	(2)	-	(2)
St. Joseph's, Stockport	7,148	(6,240)	-	908
Smithstone House	29,509	(189,848)	-	(160,339)
St. John's, Stockport	113,381	(451,070)	-	(337,689)
Ardlea, Dublin	109,492	(90,467)	-	19,025
Pilgrimage Fund	1,230	(25)	-	1,205
	<u>1,039,148</u>	<u>(1,378,646)</u>	<u>697,068</u>	<u>357,570</u>
<b>Restricted funds</b>				
Moldova fund	(1)	(5,119)	-	(5,120)
	<u>(1)</u>	<u>(5,119)</u>	<u>-</u>	<u>(5,120)</u>
<b>TOTAL FUNDS</b>	<u><u>1,039,147</u></u>	<u><u>(1,383,765)</u></u>	<u><u>697,068</u></u>	<u><u>352,450</u></u>

Transfers between funds

Transfers between the individual unrestricted designated funds are made at the discretion of the trustees.

20. RELATED PARTY DISCLOSURES

Included in Other creditors is a loan from Sacred Heart Fathers Education & Training Charity. Charity number 306099, which is controlled by the the trustees of the charity. The loan advanced was £727,041 which is repayable on demand.

21. UNRESTRICTED FUNDS

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objectives.

22. DESIGNATED FUNDS

The charity operates a separate designated fund for each of the communities and projects that it operates.

Pension Augmentation

The investment is held to generate incoming resources that contribute towards the financial support of retired priests.

Inchicore, Dublin

This fund represents the income and expenditure relating to the house, which provides residence for students as well as retired priests.

Promotions

The fund represents the income and expenditure that relates to the promotion of the charity.

St Joseph's, Stockport

The fund represents the income and expenditure that relates to the resident priest, who works in the parish, and retired priests.

Smithstone House

The fund represents the income and expenditure relating to Smithstone House, which operates as a house of prayer.

**22. DESIGNATED FUNDS - continued**

St John's, Stockport

The fund represents the income and expenditure relating to the house that is the residence of the Provincialate as well as older priests and brothers.

Ardlea, Dublin

The fund represents the income and expenditure that relates to the resident priest's who works in the parish.

Pilgrimages fund

The fund represents monies collected that were surplus to expenditure incurred on pilgrimage trips the charity operates. The designated fund will be used to support future pilgrimage costs.

**23. RESTRICTED FUNDS**

Moldova fund

The income received is used to support missionary work in Moldova.

Fr O Wynne Book fund

The income relates to a legacy received towards the printing and promotion of books by Fr O Wynne.

**SACRED HEART FATHERS TRUST**

England & Wales - Charity number 215011

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# Accounts

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REGISTERED CHARITY NUMBER: 215011

**Report of the Trustees and  
Financial Statements  
for the Year Ended 30 June 2024  
for  
Sacred Heart Fathers Trust**

SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

**Sacred Heart Fathers Trust**

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for the Year Ended 30 June 2024**

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## **Sacred Heart Fathers Trust**

### **Report of the Trustees for the Year Ended 30 June 2024**

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2024. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objective of the charity is the advancement of religion.

This includes:

- The pastoral care of individuals and groups.
- To provide places of spiritual retreat, courses in personal development and religious education
- Assistance with the on-going education of children and young adults
- The relief of poverty and sickness at home and abroad. To assist in the relief of poverty and its consequences in areas of the mission of the Congregation and in areas of natural disasters.
- Welcoming students from poorer countries to study at accredited educational facilities in the UK and Ireland.
- Welcoming students to study at recognised English language schools to enable the international development of the Congregation.
- Providing places of retreat open to all.
- Life - long care for the members. To promote the spiritual, moral, and intellectual wellbeing of the Members of the Congregation.
- To provide services and nursing care for the sick and elderly Members of the Congregation in accordance with the core values and ethos of the Congregation.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2024

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

The main object for which the charity is established is to advance religion through the educational, social and charitable works carried on by the Congregation of The Priests of the Sacred Heart of Jesus in England and Wales, Scotland, Ireland and throughout the World in accordance with the ethos, mission and philosophy of Father Leo John Dehon and to provide for the Members of the Congregation during their lives.

The Sacred Heart Fathers continue to offer support for students, adults, retreats, quiet times, spiritual direction and accompaniment for individuals and groups in various locations throughout Great Britain and Ireland. By its very nature the Congregation is an apostolic institute; and so we readily place ourselves at the service of the Church in its various pastoral works. The charity provides facilities where individuals and groups can gather for periods of prayer, silence and recollection. It also provides for the religious needs of people by providing religious services and offering spiritual guidance.

The administrative Centre for the group is at St John's, Stockport, where, as well as offices for the Province Administration, provision is made for older members, assisted by the services of the St John of God Hospitaller Service. The Sacred Heart Fathers witness to the Christian faith in both the local and wider community through the provision of worship and prayer space. While St John's is the administrative centre and a residence for the elderly, the facilities of the house are also used to enable people to participate in liturgies and gatherings for prayer. Courses on faith development are offered and groups are able to attend for day retreats or days of recollection. At St John's, the Sacred Heart Fathers also provide for the human development of people by providing courses on psychology and spirituality. Visiting members of the Congregation from abroad are also welcomed at St. John's. Members come for meetings of the Sacred Heart Fathers and have the possibility to spend some time of sabbatical there.

St John's is also the setting for the Promotions Office - the function of which is to promote the spirituality of the Sacred Heart and to keep in contact with benefactors. Various mailings are sent out during the year to our benefactors during the year. A letter is written at least twice a year informing benefactors of recent news and events and inviting them to make a contribution to the work of the Sacred Heart Fathers. The trustees will look at ways to expand our list of benefactors. The Sacred Heart Fathers greatly value their benefactors and their generous contributions. During the period, the Sacred Heart Fathers gratefully received a substantial bequest which, as the donor requested, was used to support the apostolate of the Sacred Heart Fathers.

Currently, the Order administers the parish of St John Vianney on behalf of the Archdiocese of Dublin. In the pastoral care of those entrusted to us we aim to give concrete expression to our spirituality and develop the life of the Church. In the parish the Sacred Heart Fathers minister to people of all age groups - providing religious services, pastoral accompaniment and enabling people to participate in liturgies. Where possible, the Sacred Heart Fathers assist in other parishes in England and Wales, Scotland and Ireland.

The Sacred Heart Fathers are committed to provide support and assistance in the safeguarding of children and vulnerable adults. The Trust implements best practice in safeguarding, ensuring that children and vulnerable adults are safe and well looked after while in the care of any ministry of the Congregation. Members attend training in safeguarding and ensure continual professional development. The Charity is affiliated to the national Religious Life Safeguarding Service in England and Wales, the National Board for Safeguarding Children in the Catholic Church in Ireland and The Scottish Catholic Safeguarding Standards Agency. It also has the services of a safeguarding co-ordinator and has a designated liaison person. All members coming from abroad to engage in any public ministry must provide a testimony of suitability, agree to police vetting and comply with all safeguarding policies and procedures. The Sacred Heart Fathers are committed to properly resource and finance any safeguarding initiative.

The Congregation continues to develop our ministry at Smithstone House, Kilwinning, Ayrshire, Scotland. The community organise religious services and adult spiritual formation courses. Adult faith formation courses and days of retreat are given at various times. It is possible for people to spend time here undisturbed, in silence and tranquillity. Facilities are developed and improved to provide better space for visitors on retreat or attending religious services. This place, for silence, prayer and reflection, is open to all people who seek personal renewal and space. We will continue to use our facilities for prayer and retreat - both for individuals and groups.

At Smithstone House the community also seeks to promote the protection of the natural environment through education and encouraging public awareness on the importance of the protection of the environment. New shrubs and trees have been planted as part of our commitment to care for the environment. To ensure the facilities are in good order for individuals and groups using Smithstone House the house and grounds are well maintained. This is reflected in the expenditure of the period.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2024

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The community at Inchicore Road, Dublin, Ireland, is the main formation community and welcomes new candidates to the Congregation. It is also a residence for elderly retired members. As the centre of formation it also welcomes students from the Congregation who come from abroad to study. Members of the Congregation from other Provinces are welcomed at Inchicore Road for periods of sabbatical and renewal. Others members, particularly from Europe and South America, join with the community while attending English language courses in Dublin. This is to enable those members to develop their ministry to English speakers throughout the world - both in the academic and pastoral settings. Since members from abroad attend various academic and training courses the community at Inchicore Road has higher spending in this area. The community also welcomes individuals and groups from the local community for personal development and spiritual growth.

The community at Inchicore Road is also a centre for the care of sick, retired and elderly members from the Province. To provide for the care of the elderly two staff are employed. Consequently, the community at Inchicore Road has a higher wage bill than any other community. It also has the assistance of qualified volunteers available to assist in care giving.

Elderly members in each community house continue to be available to support the work of the Trust through prayer, being available to listen to and support individuals come to our houses. Often this is an undervalued ministry since it is quieter but it is a real service offered to people. When the community is unable to provide a level of appropriate care, individual sick and elderly members can become resident in a nursing home. Depending on the needs of the individual, this can be on a temporary or permanent basis. This situation is constantly under review. It is our intention that all members should be able to stay in the community for as long as possible. However, it is likely that this cost will increase in the future - as more professional assistance is required for the sick and elderly.

The Trust supports members of the Sacred Heart Fathers who work in some of the poorest parts of Europe, e.g. Moldova / Transdnier and across the world in the Philippines and Cameroon. The fund for Moldova was set up after the visit of the Provincial to the area some years ago - and is a response to the extreme poverty of people there. The fund is used to help the Congregation develop its spiritual and social mission in Moldova - providing material aid and also helping to support the pastoral work of the Congregation in Moldova. The funds will be used to alleviate poverty, give support to local communities, providing adult and youth formation, and provide part contribution towards the building of pastoral centre and churches, local medical centres and so on. The project is part of contribution of the Congregation to the overall mission of the Church in Moldova. The Trust also made a contribution to the work of the Congregation in Cameroon. This is a sign international collaboration within the Order and helps to further the mission of the Sacred Heart Fathers.

In line with Catholic social teaching, and with the thinking of Pope Francis, the charity will respond in the relief of poverty and its consequences both at home and in areas of the mission of the Congregation and in areas of natural disasters. Where appropriate the Charity will liaise with other bodies involved in charitable works having a main object similar to those of the Sacred Heart Fathers Trust. This is an expression of the philosophy and ethos of the Sacred Heart Fathers. Members are also committed to the philosophy and practice outlined by Pope Francis in his Encyclical, *Laudato Si* (our common home is like a sister with whom we share our life).

Each community uses volunteers in various capacities. The roles now include assisting in administration, caring for the sick, elderly and disabled (including some volunteer retired nurses), housekeeping and cleaning. Whilst the volunteers' work is greatly appreciated it is not appropriate to place an economic value on it and it is therefore not included in the Statement of Financial Activities.

Like all Religious Orders in Europe the Congregation has seen a decline in membership in recent years - mainly due to the death of elderly members. However, priests and brothers from other parts of the Order have come to live and minister here on a permanent or extended basis (always in compliance with visa regulations when required). The international leadership of the Sacred Heart Fathers in Rome is keen to promote the exchange of appropriately qualified personnel. Exchange of personnel is always under review and all must comply with police vetting and safeguarding policy.

Part of the work of the Charity is to promote vocations and ongoing formation. This is to educate and train both current and new Members of the Congregation. In recruiting new members, the Charity hope to carry on its work. In providing ongoing formation (or continual professional development) to current members the Charity aims to maintain a professional standard of service.

The Order will continue to look for new ways of fund raising during the year and seek to attract new donors. It will also continue to develop our promotions resources and material. It will continue to develop links with other regions of the Congregation to foster the exchange of personnel. It will also continue to support the education of future priests and brothers for the Order. The Trust will continue to use its resources for public benefit. The Province will continue to build on the work already being and seek new and creative ways to promote and develop the work of the Trust.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2024

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#### FINANCIAL REVIEW

##### Investment policy and objectives

The Investment Portfolio is suitably diversified to reduce volatility. The charity's long term time horizon and the key investment risk is inflation. The Trustees wish to target a total return objective of inflation plus 4% over the long term and selected the Charity Multi-Asset Fund in order to achieve this. The trustees would also like a regular, sustainable income from their investments and have chosen to invest in the distribution units which target a 4% distribution per annum. The charity is able to tolerate volatility of capital value in line with the pursuit of the long term investment objective, the preservation of the real capital value. There are no anticipated capital cash flow needs and the Charity has the capacity to absorb short term losses without prejudicing the long term sustainability.

##### Reserves policy

The total charity funds have increased from £11.03m to £11.30m during the year. Included within the total funds are restricted funds of £0.20m (2023 - £0.20m). Free reserves are defined as unrestricted reserves represented by the total of current assets less creditors. The free reserves at 30 June 2024 were £2.44m (2023 - £2.59m).

Tangible assets for use are excluded on the grounds that they are used operationally and their disposal may adversely impact on the charity's ability to deliver its aims.

The Pension Augmentation fund represented by £6.7m investments is also excluded on the grounds that the charity is obliged to seek a return on capital to contribute towards the ongoing personal upkeep and costs of elderly and retired priests.

The charity's reserves policy recognises the requirement to maintain a level of free reserves that provides the following to support its various charitable activities:

##### Working Capital

Funding of capital projects that maintain, improve and develop the charity's portfolio of buildings and activities.

Available funds that might be required in the event of emergencies and unforeseen events.

Between 5 and 7 years running expenses at a level of approximately £400,000 are a guide for these purposes.

On this basis actual free reserves need to be between £2m and £2.8m

As well as managing free reserves the charity monitors cash flows carefully to ensure that sufficient funds are available to meet ongoing operating and capital requirements. At the end of the year unrestricted cash at bank was £2.81m (2023 - £3.26m)

The trustees review and monitor reserves on an annual basis and where they identify reserves rise or fall significantly above or below their target, they consider if corrective action is necessary.

The Provincial Bursar reports regularly to the Trustees and receives financial reports bi-annually from all the communities which are then reviewed.

#### Cash Reserves and Investments

From the balance sheet on page twelve of this report it can be seen that there was an increase in the value of the trust from £11,026,394 to £11,304,848.

Cash held in bank accounts and in hand has marginally decreased from £3,468,680 to £3,017,517.

The land at Redbourne in Hertfordshire remains let out as farm land. We renegotiated the rent a few years ago but we continue to look into ways that this resource can improve its return for the trust.

## **Sacred Heart Fathers Trust**

### **Report of the Trustees for the Year Ended 30 June 2024**

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Structure**

The Congregation of the Priests of the Sacred Heart (SCJ) was founded in France, in 1878. In Great Britain and Ireland the Congregation is known as the Sacred Heart Fathers. In other parts of the world its members are known as the Dehonians in reference to the Founder, Fr. Leo John Dehon. The Sacred Heart Fathers is a Religious Congregation of men within the Roman Catholic Church. It is an international Religious Congregation of over 2300 priests and brothers living and working in 42 countries in five continents. The Congregation is divided into Provinces, Regions and Districts. The Great Britain - Ireland Province comprises England, Scotland and Ireland. The Congregation first came to England in 1936, to Scotland in 1970 and to Ireland in 1978. Within Great Britain and Ireland (the GBI Province) it operates as a charitable trust with a single governing body, namely the Provincial Council, which manages the group according to the trust deed of the Charity and the Canon law of the Church. The Provincial Council are the trustees of the charity together with the bursar.

There are regular meetings of the Provincial Council throughout the year. Financial matters are discussed by the trustees at designated meetings. The Sacred Heart Fathers operate in accordance with their Constitutions and also the Provincial Directory of September 2014.

### **Risk Management**

The trustees accept their responsibility to carry out and to respond to a regular review of the risks to which the Charity is exposed. By means of audits and expert guidance they seek to ensure that appropriate financial controls are in place to provide reasonable assurance against error and fraud. Management recommendations arising from the annual audit are fully discussed at a finance meeting of the trustees and whenever changes are required to be made these are implemented as fully and quickly as possible.

### **Public Benefit**

The trustees acknowledge the Charity Commission's guidance on Public Benefit and have taken this into account when reviewing and planning their activities. In their planning for 2023 - 2024 they considered in particular, how best to use the resources of the Charity in respect of the duty of care owed to the older members. They agreed the improvement of some facilities at Inchicore Road to provide better care of the sick members. The community at Inchicore Road welcomed more members for study and ongoing formation - enabling continuing professional development essential to our ministry to people. They also welcomed members who wished to develop a professional competency in English to work in universities in Europe. Also, when appropriate, the trustees will invite these members back to the Province to give retreats or days of recollection to people from other nationalities who may want to avail of our facilities and services. The trustees also approved the development of facilities at Smithstone House to develop our ministry and offer people modern comfortable spaces for retreat, recollection, prayer and renewal. A plan for the ongoing ministry at St John's in Stockport was also agreed.

### **On-Going Training / Professional Development**

New trustees are given induction and training as appropriate and have been provided with relevant material. (CC3, & CC35, from the Charity Commission for England and Wales)

The bursar attends courses and conferences designed to keep him up-to-date with best practice in Britain and Ireland.

He has professional assistance from a firm of chartered accountants with understanding of the Charity sector. The bursar is a member of the Association of Province Bursars (APB) and participates in professional development programmes nationally and internationally.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Charity number**

215011

### **Principal address**

St John's  
266 Wellington Road North  
Stockport  
Cheshire  
SK42QR

## **Sacred Heart Fathers Trust**

### **Report of the Trustees for the Year Ended 30 June 2024**

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#### **Trustees**

Reverend H Hanley SCJ  
Reverend J Kelly SCJ  
Reverend R Mann SCJ  
Reverend M Szalwa SCJ  
Reverend M S Temgo SCJ

#### **Auditors**

SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

#### **Principal Solicitors**

Royds RDW  
2 Crane Court  
Fleet Street  
London  
EC4A 2BL

#### **Principal Bank**

Lloyds Bank  
Regent Street  
Wrexham  
LL11 1SE

Allied Irish Bank  
Sterling Branch  
St Helen's  
1 Undershaft  
London  
EC3A 8AB

#### **Registered in Scotland**

SC 041571

#### **Registered in Ireland**

CHY7096

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with law applicable to charities operating in England and Wales, and in Scotland, namely the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the 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.

**Sacred Heart Fathers Trust**

**Report of the Trustees  
for the Year Ended 30 June 2024**

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Approved by order of the board of trustees on <sup>28/04/2025</sup> ..... and signed on its behalf by:

*John Kelly*

.....  
Reverend J Kelly SCJ - Trustee

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

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### Opinion

We have audited the financial statements of Sacred Heart Fathers Trust (the 'charity') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements;
- or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

**Report of the Independent Auditors to the Trustees of  
Sacred Heart Fathers Trust**

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**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and under Section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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: the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.
- We assessed the susceptibility of the Charity's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditors](http://www.frc.org.uk/auditors) responsibilities. This description forms part of our Report of the Independent Auditors.

**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 auditors' 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.

SB & P

SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP

Date: 28/4/25

**Sacred Heart Fathers Trust**

**Statement of Financial Activities  
for the Year Ended 30 June 2024**

	Notes	Unrestricted funds £	Restricted funds £	30.6.24 Total funds £	30.6.23 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	186,896	-	186,896	22,794
<b>Charitable activities</b>					
General	5	115,387	-	115,387	90,967
Other trading activities	3	8,608	-	8,608	4,830
Investment income	4	294,140	-	294,140	282,473
<b>Total</b>		<b>605,031</b>	<b>-</b>	<b>605,031</b>	<b>401,064</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	19,466	-	19,466	19,470
<b>Charitable activities</b>					
General	7	633,768	-	633,768	592,950
Extraordinary item		157,863	-	157,863	-
<b>Total</b>		<b>811,097</b>	<b>-</b>	<b>811,097</b>	<b>612,420</b>
Net gains/(losses) on investments		484,520	-	484,520	(199,502)
<b>NET INCOME/(EXPENDITURE)</b>		<b>278,454</b>	<b>-</b>	<b>278,454</b>	<b>(410,858)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		10,820,057	206,337	11,026,394	11,437,252
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,098,511</b>	<b>206,337</b>	<b>11,304,848</b>	<b>11,026,394</b>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Balance Sheet  
30 June 2024

	Notes	Unrestricted funds £	Restricted funds £	30.6.24 Total funds £	30.6.23 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	1,884,808	-	1,884,808	1,930,363
<b>Investments</b>					
Investments	14	6,719,877	-	6,719,877	6,253,115
Investment property	15	50,000	-	50,000	50,000
		<u>8,654,685</u>	<u>-</u>	<u>8,654,685</u>	<u>8,233,478</u>
<b>CURRENT ASSETS</b>					
Debtors	16	419,411	-	419,411	130,975
Cash at bank and in hand		2,811,181	206,336	3,017,517	3,468,680
		<u>3,230,592</u>	<u>206,336</u>	<u>3,436,928</u>	<u>3,599,655</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(786,766)	1	(786,765)	(806,739)
<b>NET CURRENT ASSETS</b>		<u>2,443,826</u>	<u>206,337</u>	<u>2,650,163</u>	<u>2,792,916</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,098,511</u>	<u>206,337</u>	<u>11,304,848</u>	<u>11,026,394</u>
<b>NET ASSETS</b>		<u>11,098,511</u>	<u>206,337</u>	<u>11,304,848</u>	<u>11,026,394</u>
<b>FUNDS</b>					
Unrestricted funds	19			11,098,511	10,820,057
Restricted funds				206,337	206,337
<b>TOTAL FUNDS</b>				<u>11,304,848</u>	<u>11,026,394</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28/04/2025 and were signed on its behalf by:

*John Kelly*

.....  
J Kelly SCJ - Trustee

The notes form part of these financial statements

**Sacred Heart Fathers Trust**

**Cash Flow Statement  
for the Year Ended 30 June 2024**

	Notes	30.6.24 £	30.6.23 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(750,439)</u>	<u>188,672</u>
Net cash (used in)/provided by operating activities		<u>(750,439)</u>	<u>188,672</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(13,072)	(8,250)
Sale of tangible fixed assets		2,025	-
Sale of fixed asset investments		17,758	-
Interest received		2,422	2,025
Dividends received		<u>290,143</u>	<u>278,873</u>
Net cash provided by investing activities		<u>299,276</u>	<u>272,648</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		<u>(451,163)</u>	<u>461,320</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>3,468,680</u>	<u>3,007,360</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>3,017,517</u></u>	<u><u>3,468,680</u></u>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2024

<b>1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>30.6.24</b>		<b>30.6.23</b>
	<b>£</b>		<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>278,454</b>		<b>(410,858)</b>
<b>Adjustments for:</b>			
Depreciation charges	<b>57,368</b>		59,357
(Gain)/losses on investments	<b>(484,520)</b>		199,502
Profit on disposal of fixed assets	<b>(766)</b>		-
Interest received	<b>(2,422)</b>		(2,025)
Dividends received	<b>(290,143)</b>		(278,873)
Increase in debtors	<b>(288,436)</b>		(130,903)
(Decrease)/increase in creditors	<b>(19,974)</b>		752,472
<b>Net cash (used in)/provided by operations</b>	<b>(750,439)</b>		<b>188,672</b>
<b>2. ANALYSIS OF CHANGES IN NET FUNDS</b>			
	<b>At 1.7.23</b>	<b>Cash flow</b>	<b>At 30.6.24</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	<b>3,468,680</b>	<b>(451,163)</b>	<b>3,017,517</b>
	<b>3,468,680</b>	<b>(451,163)</b>	<b>3,017,517</b>
<b>Total</b>	<b>3,468,680</b>	<b>(451,163)</b>	<b>3,017,517</b>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Support costs

Costs which, while necessary to deliver an activity, do not themselves produce the activity. They include the central office functions of the charity and are often apportioned to activities. The amount shown here is the total amount of support costs (for charitable, fundraising and governance activities) included in resources expended. They are apportioned at the following percentages.

Governance costs	- 100%
Premises costs	- 10%
Communication costs	- 50%
Travel	- 25%
Personnel	- 10%
Financial	- 25%

### Governance costs

Expenditure on the governance costs of the charity includes expenditure that relates specifically to the strategic and future development of the charity.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment and furniture	- 5% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

### Investment property

The investment property has been valued at £50,000 by the board of trustees.

### Taxation

The charity is exempt from tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The trustees operate each community and project of the charity as a separate designated fund.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Sacred Heart Fathers Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024**

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**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fund transfers occur biannually in the charity to reallocate financial resources between the designated funds and the general fund of the charity. Funds raised or donations authorised by the trustees, for the restricted activities are also transferred.

**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 rate of exchange ruling at the date of transaction

**Investments**

Investments are included in the financial statements at the year end market value. Income from investments, bank and other deposits are included on an accruals basis.

**2. DONATIONS AND LEGACIES**

	<b>30.6.24</b>	30.6.23
	£	£
Donations	<b>6,484</b>	1,081
Mass stipends	<b>8,639</b>	10,431
Stole fees	<b>5,227</b>	5,758
Supply fees	<b>8,600</b>	5,524
Legacies	<b>157,946</b>	-
	<u><b>186,896</b></u>	<u>22,794</u>

**3. OTHER TRADING ACTIVITIES**

	<b>30.6.24</b>	30.6.23
	£	£
Other income	<b>8,608</b>	4,830
	<u><b>8,608</b></u>	<u>4,830</u>

**4. INVESTMENT INCOME**

	<b>30.6.24</b>	30.6.23
	£	£
Rents received	<b>1,575</b>	1,575
Dividend income	<b>290,143</b>	278,873
Deposit account interest	<b>2,422</b>	2,025
	<u><b>294,140</b></u>	<u>282,473</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

<b>5. INCOME FROM CHARITABLE ACTIVITIES</b>				<b>30.6.24</b>	30.6.23
		Activity		£	£
Contributions from members		General		<b>115,387</b>	90,967
				<u>          </u>	<u>          </u>
<b>6. RAISING FUNDS</b>					
<b>Investment management costs</b>				<b>30.6.24</b>	30.6.23
				£	£
Portfolio management				<b>19,466</b>	19,470
				<u>          </u>	<u>          </u>
<b>7. CHARITABLE ACTIVITIES COSTS</b>					
			Direct	Support	Totals
			Costs	costs (see	
			£	note 8)	£
General			<b>563,959</b>	<b>69,809</b>	<b>633,768</b>
Extraordinary item			-	<b>157,863</b>	<b>157,863</b>
			<u>          </u>	<u>          </u>	<u>          </u>
			<b>563,959</b>	<b>227,672</b>	<b>791,631</b>
			<u>          </u>	<u>          </u>	<u>          </u>
<b>8. SUPPORT COSTS</b>					
	Management	Other		Governance	Totals
	£	£		costs	£
General	<b>53,785</b>	<b>980</b>		<b>15,044</b>	<b>69,809</b>
Extraordinary item	-	<b>157,863</b>		-	<b>157,863</b>
	<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
	<b>53,785</b>	<b>158,843</b>		<b>15,044</b>	<b>227,672</b>
	<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
<b>9. OTHER</b>				<b>30.6.24</b>	30.6.23
				£	£
Support costs				<b>227,672</b>	92,743
				<u>          </u>	<u>          </u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2024 nor for the year ended 30 June 2023.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2024 nor for the year ended 30 June 2023.

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

11. STAFF COSTS

	30.6.24	30.6.23
	£	£
Wages and salaries	42,142	42,777
Social security costs	4,299	5,314
	<u>46,441</u>	<u>48,091</u>

The average monthly number of employees during the year was as follows:

	30.6.24	30.6.23
Charitable Activities	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

12. EXTRAORDINARY ITEMS

An ex-gratia payment of £157,863 has been made in the year.

The amount represents what the trustees considered to be a pastoral and moral obligation.

The payment was intended as compensation in recognition of the suffering caused to one of its beneficiaries by a deceased member of the order. The incident which dated back to 1965 came to light during 2023.

The trustees have since taken legal advice in respect of this matter (see note 20)

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment and furniture £
<b>COST</b>			
At 1 July 2023	1,366,046	1,143,576	191,097
Additions	-	-	-
Disposals	-	-	-
	<u>1,366,046</u>	<u>1,143,576</u>	<u>191,097</u>
At 30 June 2024	1,366,046	1,143,576	191,097
<b>DEPRECIATION</b>			
At 1 July 2023	516,548	261,287	12,317
Charge for year	27,321	22,874	539
Eliminated on disposal	-	-	-
	<u>543,869</u>	<u>284,161</u>	<u>12,856</u>
At 30 June 2024	543,869	284,161	12,856
<b>NET BOOK VALUE</b>			
At 30 June 2024	<u>822,177</u>	<u>859,415</u>	<u>178,241</u>
At 30 June 2023	<u>849,498</u>	<u>882,289</u>	<u>178,780</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

## 13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2023	13,600	97,212	3,181	2,814,712
Additions	1,271	11,801	-	13,072
Disposals	-	(43,551)	-	(43,551)
At 30 June 2024	14,871	65,462	3,181	2,784,233
<b>DEPRECIATION</b>				
At 1 July 2023	4,567	86,763	2,867	884,349
Charge for year	515	6,040	79	57,368
Eliminated on disposal	-	(42,292)	-	(42,292)
At 30 June 2024	5,082	50,511	2,946	899,425
<b>NET BOOK VALUE</b>				
At 30 June 2024	9,789	14,951	235	1,884,808
At 30 June 2023	9,033	10,449	314	1,930,363

Included in Equipment and furniture are paintings and works of art that were gifted to the charity in 2002. These assets are believed to have residual values not materially different to the carrying values and are therefore not depreciated. These assets were independently valued in March 2002 with a value of £168,000. The replacement value for insurance purposes at September 2014 was approximately £296,000.

At 30 June 2024 Smithstone House in Kilwinning Scotland, is disclosed at a carrying value of £257,467 including improvement costs of £250,240, in the opinion of the trustees this has an approximate market value of £750,000. The market value of all other freehold property is not considered to be materially different from the carrying values.

## 14. FIXED ASSET INVESTMENTS

	UK quoted fixed interest £	Other listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 July 2023	6,227,589	25,526	6,253,115
Disposals	(17,759)	-	(17,759)
Revaluations	490,208	(5,687)	484,521
At 30 June 2024	6,700,038	19,839	6,719,877
<b>NET BOOK VALUE</b>			
At 30 June 2024	6,700,038	19,839	6,719,877
At 30 June 2023	6,227,589	25,526	6,253,115

There were no investment assets outside the UK.

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

14. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 June 2024 is represented by:

	UK quoted fixed interest £	Other listed investments £	Totals £
Valuation in 2022	6,432,874	19,744	6,452,618
Valuation in 2023	(205,285)	5,782	(199,503)
Valuation in 2024	472,449	(5,687)	466,762
	<u>6,700,038</u>	<u>19,839</u>	<u>6,719,877</u>

15. INVESTMENT PROPERTY

	30.06.24	30.06.23
	£	£
Agricultural land - Redbourne, Hertfordshire	<u>50,000</u>	<u>50,000</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.24	30.6.23
	£	£
Other debtors	<u>419,411</u>	<u>130,975</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.24	30.6.23
	£	£
Other creditors	<u>786,765</u>	<u>806,739</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.24	30.6.23
	£	£
Within one year	<u>2,445</u>	<u>7,740</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

19. MOVEMENT IN FUNDS

	At 1.7.23 £	Net movement in funds £	Transfers between funds £	At 30.6.24 £
<b>Unrestricted funds</b>				
General fund	2,830,017	189,581	(180,144)	2,839,454
Pension Augmentation	6,217,879	490,208	-	6,708,087
Inchicore, Dublin	217,135	(176,945)	131,411	171,601
Promotions	4	(1)	-	3
St. Joseph's, Stockport	(13,892)	908	(3,640)	(16,624)
Smithstone House	55,587	(70,648)	65,000	49,939
St. John's, Stockport	1,471,944	(168,245)	(6,336)	1,297,363
Ardlea, Dublin	17,581	12,957	(6,291)	24,247
Pilgrimage Fund	23,802	639	-	24,441
	<u>10,820,057</u>	<u>278,454</u>	<u>-</u>	<u>11,098,511</u>
<b>Restricted funds</b>				
Moldova fund	191,523	-	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>-</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,026,394</u>	<u>278,454</u>	<u>-</u>	<u>11,304,848</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	448,557	(253,288)	(5,688)	189,581
Pension Augmentation	-	-	490,208	490,208
Inchicore, Dublin	20,522	(197,467)	-	(176,945)
Promotions	-	(1)	-	(1)
St. Joseph's, Stockport	7,148	(6,240)	-	908
Smithstone House	15,541	(86,189)	-	(70,648)
St. John's, Stockport	55,091	(223,336)	-	(168,245)
Ardlea, Dublin	57,533	(44,576)	-	12,957
Pilgrimage Fund	639	-	-	639
	<u>605,031</u>	<u>(811,097)</u>	<u>484,520</u>	<u>278,454</u>
<b>TOTAL FUNDS</b>	<u>605,031</u>	<u>(811,097)</u>	<u>484,520</u>	<u>278,454</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.22 £	Net movement in funds £	Transfers between funds £	At 30.6.23 £
<b>Unrestricted funds</b>				
General fund	2,834,753	140,367	(145,103)	2,830,017
Pension Augmentation	6,423,163	(205,284)	-	6,217,879
Inchicore, Dublin	358,337	(167,702)	26,500	217,135
Promotions	6	(2)	-	4
St. Joseph's, Stockport	(9,142)	(4,750)	-	(13,892)
Smithstone House	77,779	(114,192)	92,000	55,587
St. John's, Stockport	1,506,171	(60,830)	26,603	1,471,944
Ardlea, Dublin	16,337	1,244	-	17,581
Pilgrimage Fund	23,511	291	-	23,802
	<u>11,230,915</u>	<u>(410,858)</u>	<u>-</u>	<u>10,820,057</u>
<b>Restricted funds</b>				
Moldova fund	191,523	-	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>-</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,437,252</u>	<u>(410,858)</u>	<u>-</u>	<u>11,026,394</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	281,772	(147,187)	5,782	140,367
Pension Augmentation	-	-	(205,284)	(205,284)
Inchicore, Dublin	14,156	(181,858)	-	(167,702)
Promotions	(1)	(1)	-	(2)
St. Joseph's, Stockport	17,986	(22,736)	-	(4,750)
Smithstone House	8,755	(122,947)	-	(114,192)
St. John's, Stockport	21,941	(82,771)	-	(60,830)
Ardlea, Dublin	56,164	(54,920)	-	1,244
Pilgrimage Fund	291	-	-	291
	<u>401,064</u>	<u>(612,420)</u>	<u>(199,502)</u>	<u>(410,858)</u>
<b>TOTAL FUNDS</b>	<u>401,064</u>	<u>(612,420)</u>	<u>(199,502)</u>	<u>(410,858)</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.22 £	Net movement in funds £	Transfers between funds £	At 30.6.24 £
<b>Unrestricted funds</b>				
General fund	2,834,753	329,948	(325,247)	2,839,454
Pension Augmentation	6,423,163	284,924	-	6,708,087
Inchicore, Dublin	358,337	(344,647)	157,911	171,601
Promotions	6	(3)	-	3
St. Joseph's, Stockport	(9,142)	(3,842)	(3,640)	(16,624)
Smithstone House	77,779	(184,840)	157,000	49,939
St. John's, Stockport	1,506,171	(229,075)	20,267	1,297,363
Ardlea, Dublin	16,337	14,201	(6,291)	24,247
Pilgrimage Fund	23,511	930	-	24,441
	<u>11,230,915</u>	<u>(132,404)</u>	<u>-</u>	<u>11,098,511</u>
<b>Restricted funds</b>				
Moldova fund	191,523	-	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	<u>-</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,437,252</u>	<u>(132,404)</u>	<u>-</u>	<u>11,304,848</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	730,329	(400,475)	94	329,948
Pension Augmentation	-	-	284,924	284,924
Inchicore, Dublin	34,678	(379,325)	-	(344,647)
Promotions	(1)	(2)	-	(3)
St. Joseph's, Stockport	25,134	(28,976)	-	(3,842)
Smithstone House	24,296	(209,136)	-	(184,840)
St. John's, Stockport	77,032	(306,107)	-	(229,075)
Ardlea, Dublin	113,697	(99,496)	-	14,201
Pilgrimage Fund	930	-	-	930
	<u>1,006,095</u>	<u>(1,423,517)</u>	<u>285,018</u>	<u>(132,404)</u>
<b>TOTAL FUNDS</b>	<u>1,006,095</u>	<u>(1,423,517)</u>	<u>285,018</u>	<u>(132,404)</u>

**Transfers between funds**

Transfers between the individual unrestricted designated funds are made at the discretion of the trustees.

**20. CONTINGENT LIABILITIES**

The trustees have recently taken legal advice in respect of a past event (see note 12).

At the reporting date the outcome of the case cannot be clearly determined.

The Charity previously made an ex-gratia payment of £157,863 in respect of this matter, but until further independent reports and evidence have been received and reviewed by the legal advisors they have confirmed they are unable to reliably measure whether there will be any additional financial obligations to meet.

**21. RELATED PARTY DISCLOSURES**

Included in Other creditors is a loan from Sacred Heart Fathers Education & Training charity, which is controlled by the the trustees of the charity. The loan advanced was £727,041 which is repayable on demand.

**22. UNRESTRICTED FUNDS**

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objectives.

**23. DESIGNATED FUNDS**

The charity operates a separate designated fund for each of the communities and projects that it operates.

Pension Augmentation

The investment is held to generate incoming resources that contribute towards the financial support of retired priests.

Inchicore, Dublin

This fund represents the income and expenditure relating to the house, which provides residence for students as well as retired priests.

Promotions

The fund represents the income and expenditure that relates to the promotion of the charity.

St Joseph's, Stockport

The fund represents the income and expenditure that relates to the resident priest, who works in the parish, and retired priests.

Smithstone House

The fund represents the income and expenditure relating to Smithstone House, which operates as a house of prayer.

St John's, Stockport

The fund represents the income and expenditure relating to the house that is the residence of the Provincialate as well as older priests and brothers.

Ardlea, Dublin

The fund represents the income and expenditure that relates to the resident priest's who works in the parish.

Pilgrimages fund

The fund represents monies collected that were surplus to expenditure incurred on pilgrimage trips the charity operates. The designated fund will be used to support future pilgrimage costs.

**Sacred Heart Fathers Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2024**

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**24. RESTRICTED FUNDS**

Moldova fund

The income received is used to support missionary work in Moldova.

Fr O Wynne Book fund

The income relates to a legacy received towards the printing and promotion of books by Fr O Wynne.

**SACRED HEART FATHERS TRUST**

England & Wales - Charity number 215011

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# Accounts

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REGISTERED CHARITY NUMBER: 215011

**Report of the Trustees and  
Financial Statements  
for the Year Ended 30 June 2023  
for  
Sacred Heart Fathers Trust**

**SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP**

**Sacred Heart Fathers Trust**

**Contents of the Financial Statements  
for the Year Ended 30 June 2023**

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## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2023

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objective of the charity is the advancement of religion.

This includes:

- The pastoral care of individuals and groups.
- To provide places of spiritual retreat, courses in personal development and religious education
- Assistance with the on-going education of children and young adults
- The relief of poverty and sickness at home and abroad. To assist in the relief of poverty and its consequences in areas of the mission of the Congregation and in areas of natural disasters.
- Welcoming students from poorer countries to study at accredited educational facilities in the UK and Ireland.
- Welcoming students to study at recognised English language schools to enable the international development of the Congregation.
- Providing places of retreat open to all.
- Life - long care for the members. To promote the spiritual, moral, and intellectual wellbeing of the Members of the Congregation.
- To provide services and nursing care for the sick and elderly Members of the Congregation in accordance with the core values and ethos of the Congregation.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

The main object for which the charity is established is to advance religion through the educational, social and charitable works carried on by the Congregation of The Priests of the Sacred Heart of Jesus in England and Wales, Scotland, Ireland and throughout the World in accordance with the ethos, mission and philosophy of Father Leo John Dehon and to provide for the Members of the Congregation during their lives.

The Sacred Heart Fathers continue to offer support for students, adults, retreats, quiet times, spiritual direction and accompaniment for individuals and groups in various locations throughout Great Britain and Ireland. By its very nature the Congregation is an apostolic institute; and so we readily place ourselves at the service of the Church in its various pastoral works. The charity provides facilities where individuals and groups can gather for periods of prayer, silence and recollection. It also provides for the religious needs of people by providing religious services and offering spiritual guidance.

The administrative Centre for the group is at St John's, Stockport, where, as well as offices for the Province Administration, provision is made for older members, assisted by the services of the St John of God Hospitaller Service. The Sacred Heart Fathers witnesses to the Christian faith in both the local and wider community through the provision of worship and prayer space. While St John's is the administrative centre and a residence for the elderly, the facilities of the house are also used to enable people to participate in liturgies and gatherings for prayer. Courses on faith development are offered and groups are able to attend for day retreats or days of recollection. At St John's, the Sacred Heart Fathers also provide for the human development of people by providing courses on psychology and spirituality. A counselling service is also provided there. Visiting members of the Congregation from abroad are also welcomed at St. John's. Members come for meetings of the Sacred Heart Fathers and have the possibility to spend some time of sabbatical there.

St John's is also the setting for the Promotions Office - the function of which is to promote the spirituality of the Sacred Heart and to keep in contact with benefactors. Various mailings are sent out during the year to our benefactors during the year. A letter is written at least twice a year informing benefactors of recent news and events and inviting them to make a contribution to the work of the Sacred Heart Fathers. It is notable that the age of benefactors is increasing and consequently there are less people on the mailing list. The trustees will look at ways to expand our list of benefactors. The Sacred Heart Fathers greatly value their benefactors and their generous contributions.

In September 2022 the Sacred Heart Fathers handed the administration of the parish of St Joseph's, Stockport, back to the Diocese of Shrewsbury. The Diocesan Bishop wanted to develop a new ministry for his Diocese there. Currently, the Order administers the parish of St John Vianney on behalf of the Archdiocese of Dublin. In the pastoral care of those entrusted to us we aim to give concrete expression to our spirituality and develop the life of the Church. In the parish the Sacred Heart Fathers minister to people of all age groups - providing religious services, pastoral accompaniment and enabling people to participate in liturgies. Where possible, the Sacred Heart Fathers assist in other parishes in England and Wales, Scotland and Ireland.

The Sacred Heart Fathers are committed to provide support and assistance in the safeguarding of children and vulnerable adults. The Trust implements best practice in safeguarding, ensuring that children and vulnerable adults are safe and well looked after while in the care of any ministry of the Congregation. The Charity is committed to best practice in safeguarding. It is affiliated to the national Religious Life Safeguarding Service in England and Wales, the National Board for Safeguarding Children in the Catholic Church in Ireland and The Scottish Catholic Safeguarding Standards Agency. It also has the services of a safeguarding co-ordinator and has a designated liaison person. All members coming from abroad to engage in any public ministry must provide a testimony of suitability, agree to police vetting and comply with all safeguarding policies and procedures. The Sacred Heart Fathers are committed to properly resource and finance any safeguarding initiative.

The Congregation continues to develop our ministry at Smithstone House, Kilwinning, Ayrshire, Scotland. The community organise religious services and adult spiritual formation courses. Adult faith formation courses and days of retreat are given at various times. It is possible for people to spend time here undisturbed, in silence and tranquillity. Facilities here have been developed and improved to provide better space for visitors on retreat or attending religious services. A separate, totally self-contained, building was built there in 2022 where individuals can stay for an extended period without being disturbed - to experience silence, prayer and refreshment. This place for silence and reflection is open to all people who seek personal renewal and silence. The building of this facility was the largest spend on buildings during the period - but it is a facility that will benefit many people. We will continue to use our facilities for prayer and retreat - both for individuals and groups.

At Smithstone House the community also seeks to promote the protection of the natural environment through education and encouraging public awareness on the importance of the protection of the environment. Members are committed to the philosophy and practice outlined by Pope Francis in his Encyclical, *Laudato Si* (our common home is like a sister with whom we share our life).

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2023

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The community at Inchicore Road, Dublin, Ireland, is the main formation community and welcomes new candidates to the Congregation. It is also a residence for elderly retired members. As the centre of formation it also welcomes students from the Congregation who come from abroad to study. It also welcomes members for sabbatical, English language and renewal. The community welcomes individuals and groups for personal development and spiritual growth.

To adapt to the changing needs of the Church and the wider community, members are encouraged to develop wider skills - particularly in counselling and psychotherapy. This ministry is available to all people and is an expression of our desire to meet the needs of people in a changing world. A counselling and spiritual accompaniment service is also provided at Inchicore Road. To provide for the care of the elderly two staff are employed. Consequently, the community at Inchicore Road has a higher wage bill than any other community. Since members attend various academic and training courses it also has higher spending in this area.

When the community is unable to provide a level of appropriate care, individual sick and elderly members can become resident in a nursing home. Depending on the needs of the individual, this can be on a temporary or permanent basis. This situation is constantly under review. It is our intention that all members should be able to stay in the community for as long as possible.

The Trust supports members of the Sacred Heart Fathers who work in some of the poorest parts of Europe, e.g. Moldova / Transdniestria and across the world in the Philippines and Cameroon. The fund for Moldova was set up after the visit of the Provincial to the area some years ago - and is a response to the extreme poverty of people there. The fund is used to help the Congregation develop its spiritual and social mission in Moldova - providing material aid and also helping to support the pastoral work of the Congregation in Moldova. The funds will be used to alleviate poverty, give support to local communities, providing adult and youth formation, and provide part contribution towards the building of pastoral centre and churches, local medical centres and so on. The project is part of contribution of the Congregation to the overall mission of the Church in Moldova. The Trust also made a contribution to the work of the Congregation in Cameroon. This is a sign international collaboration within the Order and helps to further the mission of the Sacred Heart Fathers.

In line with Catholic social teaching, and with the thinking of Pope Francis, the charity will respond in the relief of poverty and its consequences both at home and in areas of the mission of the Congregation and in areas of natural disasters. Where appropriate the Charity will liaise with other bodies involved in charitable works having a main object similar to those of the Sacred Heart Fathers Trust. This is an expression of the philosophy and ethos of the Sacred Heart Fathers.

Each community uses volunteers in various capacities. Since Covid 19 there has been a decrease in those volunteering. The roles now include assisting in administration, caring for the sick, elderly and disabled (including some volunteer retired nurses), housekeeping and cleaning. Whilst the volunteers' work is greatly appreciated it is not appropriate to place an economic value on it and it is therefore not included in the Statement of Financial Activities.

Like all Religious Orders in Europe the Congregation has seen a decline in membership in recent years - mainly due to the death of elderly members. However, priests and brothers from other parts of the Order have come to live and minister here on a permanent or extended basis (always in compliance with visa regulations when required). The international leadership of the Sacred Heart Fathers in Rome is keen to promote the exchange of appropriately qualified personnel. Exchange of personnel is always under review and all must comply with police vetting and safeguarding policy.

Part of the work of the Charity is to promote vocations and ongoing formation. This is to educate and train both current and new Members of the Congregation. In recruiting new members, the Charity hope to carry on its work. In providing ongoing formation (or continual professional development) to current members the Charity aims to maintain a professional standard of service.

The Order will continue to look for new ways of fund raising during the year and seek to attract new donors. It will also continue to develop our promotions resources and material. It will continue to develop links with other regions of the Congregation to foster the exchange of personnel. It will also continue to support the education of future priests and brothers for the Order. The Trust will continue to use its resources for public benefit. The Province will continue to build on the work already being and seek new and creative ways to promote and develop the work of the Trust.

## FINANCIAL REVIEW

### Investment policy and objectives

The Investment Portfolio is suitably diversified to reduce volatility. The charity's long term time horizon and the key investment risk is inflation. The Trustees wish to target a total return objective of inflation plus 4% over the long term and selected the Charity Multi-Asset Fund in order to achieve this. The trustees would also like a regular, sustainable income from their investments and have chosen to invest in the distribution units which target a 4% distribution per annum. The charity is able to tolerate volatility of capital value in line with the pursuit of the long term investment objective, the preservation of the real capital value. There are no anticipated capital cash flow needs and the Charity has the capacity to absorb short term losses without prejudicing the long term sustainability.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2023

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#### FINANCIAL REVIEW

##### Reserves policy

The total charity funds have decreased from £11.4m to £11.0m during the year. Included within the total funds are restricted funds of £0.20m (2022 - £0.20m). Free reserves are defined as unrestricted reserves represented by the total of current assets less creditors. The free reserves at 30 June 2023 were £2.59m (2022 - £2.75m).

Tangible assets for use are excluded on the grounds that they are used operationally and their disposal may adversely impact on the charity's ability to deliver its aims.

The Pension Augmentation fund represented by £6.2m investments is also excluded on the grounds that the charity is obliged to seek a return on capital to contribute towards the ongoing personal upkeep and costs of elderly and retired priests.

The charity's reserves policy recognises the requirement to maintain a level of free reserves that provides the following to support its various charitable activities:

##### Working Capital

Funding of capital projects that maintain, improve and develop the charity's portfolio of buildings and activities.

Available funds that might be required in the event of emergencies and unforeseen events.

Between 5 and 7 years running expenses at a level of approximately £400,000 are a guide for these purposes. On this basis actual free reserves need to be between £2m and £2.8m

As well as managing free reserves the charity monitors cash flows carefully to ensure that sufficient funds are available to meet ongoing operating and capital requirements. At the end of the year unrestricted cash at bank was £3.3m (2022 - £2.8m)

The trustees review and monitor reserves on an annual basis and where they identify reserves rise or fall significantly above or below their target, they consider if corrective action is necessary.

The Provincial Bursar reports regularly to the Trustees and receives financial reports bi-annually from all the communities which are then reviewed.

#### Cash Reserves and Investments

From the balance sheet on page eleven of this report it can be seen that there was a decrease in the value of the trust from £11,437,252 to £11,026,394.

Cash held in bank accounts and in hand has marginally increased from £3,007,360 to £3,468,680.

The land at Redbourne in Hertfordshire remains let out as farm land. We renegotiated the rent a few years ago but we continue to look into ways that this resource can improve its return for the trust.

## **Sacred Heart Fathers Trust**

### **Report of the Trustees for the Year Ended 30 June 2023**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Structure**

The Congregation of the Priests of the Sacred Heart (SCJ) was founded in France, in 1878. In Great Britain and Ireland the Congregation is known as the Sacred Heart Fathers. In other parts of the world its members are known as the Dehonians in reference to the Founder, Fr. Leo John Dehon. The Sacred Heart Fathers is a Religious Congregation of men within the Roman Catholic Church. It is an international Religious Congregation of over 2300 priests and brothers living and working in 42 countries in five continents. The Congregation is divided into Provinces, Regions and Districts. The Great Britain - Ireland Province comprises England, Scotland and Ireland. The Congregation first came to England in 1936, to Scotland in 1970 and to Ireland in 1978. Within Great Britain and Ireland (the GBI Province) it operates as a charitable trust with a single governing body, namely the Provincial Council, which manages the group according to the trust deed of the Charity and the Canon law of the Church. The Provincial Council are the trustees of the charity together with the bursar.

There are regular meetings of the Provincial Council throughout the year. Financial matters are discussed by a finance committee and by the trustees at designated meetings. The Sacred Heart Fathers operate in accordance with their Constitutions and also the Provincial Directory of September 2014.

##### **Risk Management**

The trustees accept their responsibility to carry out and to respond to a regular review of the risks to which the Charity is exposed. By means of audits and expert guidance they seek to ensure that appropriate financial controls are in place to provide reasonable assurance against error and fraud. Management recommendations arising from the annual audit are fully discussed at a finance meeting of the trustees and whenever changes are required to be made these are implemented as fully and quickly as possible.

##### **Public Benefit**

The trustees acknowledge the Charity Commission's guidance on Public Benefit and have taken this into account when reviewing and planning their activities. In their planning for 2022 - 2023 they considered in particular, how best to use the resources of the Charity in respect of the duty of care owed to the older members. They agreed the improvement of some facilities at Inchicore Road to provide better care of the sick members. The community at Inchicore Road welcomed more members for study and ongoing formation - enabling continuing professional development essential to our ministry to people. They also approved the development of facilities at Smithstone House to develop our ministry and offer people modern comfortable spaces for retreat, recollection, prayer and renewal. They agreed the improvement of some facilities at St John's, Stockport, to create an appropriate space for counselling and group meetings.

##### **On-Going Training / Professional Development**

New trustees are given induction and training as appropriate and have been provided with relevant material. (CC3, & CC35, from the Charity Commission for England and Wales)

The bursar attends courses and conferences designed to keep him up-to-date with best practice in Britain and Ireland.

He has professional assistance from a firm of chartered accountants with understanding of the Charity sector. The bursar is a member of the Association of Province Bursars (APB) and participates in professional development programmes nationally and internationally.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

215011

##### **Principal address**

St John's  
266 Wellington Road North  
Stockport  
Cheshire  
SK42QR

## **Sacred Heart Fathers Trust**

### **Report of the Trustees for the Year Ended 30 June 2023**

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#### **Trustees**

Reverend H Hanley SCJ  
Reverend J Kelly SCJ  
Reverend J Matthews SCJ (resigned 1.3.23)  
Reverend R Mann SCJ  
Reverend P Murphy SCJ (resigned 1.3.23)  
Reverend M Szalwa SCJ (appointed 1.3.23)  
Reverend M S Temgo SCJ (appointed 1.3.23)

#### **Auditors**

SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP

#### **Principal Solicitors**

Royds RDW  
2 Crane Court  
Fleet Street  
London  
EC4A 2BL

#### **Principal Bank**

Lloyds Bank  
Regent Street  
Wrexham  
LL11 1SE

#### **Registered in Scotland**

SC 041571

#### **Registered in Ireland**

CHY7096

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with law applicable to charities operating in England and Wales, and in Scotland, namely the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the 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.

Sacred Heart Fathers Trust

Report of the Trustees  
for the Year Ended 30 June 2023

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Approved by order of the board of trustees on 25/11/2024 ..... and signed on its behalf by:

*Rev John Kelly SCJ*

.....  
Reverend J Kelly SCJ - Trustee

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

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### Opinion

We have audited the financial statements of Sacred Heart Fathers Trust (the 'charity') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

---

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and under Section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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: the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.
- We assessed the susceptibility of the Charity's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of  
Sacred Heart Fathers Trust**

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**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 and in accordance with Regulation 10 of the Charities Accounts(Scotland) Regulations 2006. 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 auditors' 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.



SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

25 November 2024

Sacred Heart Fathers Trust

Statement of Financial Activities  
for the Year Ended 30 June 2023

	Notes	Unrestricted funds £	Restricted funds £	30.6.23 Total funds £	30.6.22 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	22,794	-	22,794	112,528
<b>Charitable activities</b>					
General	5	90,967	-	90,967	98,907
Other trading activities	3	4,830	-	4,830	16,112
Investment income	4	282,473	-	282,473	276,092
<b>Total</b>		<b>401,064</b>	<b>-</b>	<b>401,064</b>	<b>503,639</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	19,470	-	19,470	20,555
<b>Charitable activities</b>					
General	7	592,950	-	592,950	587,938
<b>Total</b>		<b>612,420</b>	<b>-</b>	<b>612,420</b>	<b>608,493</b>
Net gains/(losses) on investments		(199,502)	-	(199,502)	(454,789)
<b>NET INCOME/(EXPENDITURE)</b>		<b>(410,858)</b>	<b>-</b>	<b>(410,858)</b>	<b>(559,643)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		11,230,915	206,337	11,437,252	11,996,895
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>10,820,057</b>	<b>206,337</b>	<b>11,026,394</b>	<b>11,437,252</b>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Balance Sheet  
30 June 2023

	Notes	Unrestricted funds £	Restricted funds £	30.6.23 Total funds £	30.6.22 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	1,930,363	-	1,930,363	1,981,471
<b>Investments</b>					
Investments	12	6,253,115	-	6,253,115	6,452,618
Investment property	13	50,000	-	50,000	50,000
		<u>8,233,478</u>	<u>-</u>	<u>8,233,478</u>	<u>8,484,089</u>
<b>CURRENT ASSETS</b>					
Debtors	14	130,975	-	130,975	71
Cash at bank and in hand		3,262,344	206,336	3,468,680	3,007,360
		<u>3,393,319</u>	<u>206,336</u>	<u>3,599,655</u>	<u>3,007,431</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(806,740)	1	(806,739)	(54,268)
		<u>2,586,579</u>	<u>206,337</u>	<u>2,792,916</u>	<u>2,953,163</u>
<b>NET CURRENT ASSETS</b>					
		<u>2,586,579</u>	<u>206,337</u>	<u>2,792,916</u>	<u>2,953,163</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>10,820,057</u>	<u>206,337</u>	<u>11,026,394</u>	<u>11,437,252</u>
<b>NET ASSETS</b>					
		<u>10,820,057</u>	<u>206,337</u>	<u>11,026,394</u>	<u>11,437,252</u>
<b>FUNDS</b>					
Unrestricted funds	17			10,820,057	11,230,915
Restricted funds				206,337	206,337
<b>TOTAL FUNDS</b>					
				<u>11,026,394</u>	<u>11,437,252</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .25/11/2024..... and were signed on its behalf by:

*Per John Kelly scj*

J Kelly SCJ - Trustee

**Sacred Heart Fathers Trust**

**Cash Flow Statement  
for the Year Ended 30 June 2023**

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	Notes	30.6.23 £	30.6.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>188,672</u>	<u>(307,332)</u>
Net cash provided by/(used in) operating activities		<u>188,672</u>	<u>(307,332)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,250)	-
Interest received		2,025	2,547
Dividends received		<u>278,873</u>	<u>271,970</u>
Net cash provided by investing activities		<u>272,648</u>	<u>274,517</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>3,007,360</u>	<u>3,040,175</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,468,680</u></u>	<u><u>3,007,360</u></u>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.6.23 £	30.6.22 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	<b>(410,858)</b>	<b>(559,643)</b>
<b>Adjustments for:</b>		
Depreciation charges	59,357	60,779
Losses on investments	199,502	454,789
Interest received	(2,025)	(2,547)
Dividends received	(278,873)	(271,970)
Increase in debtors	(130,903)	-
Increase in creditors	752,472	11,260
<b>Net cash provided by/(used in) operations</b>	<b>188,672</b>	<b>(307,332)</b>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.22 £	Cash flow £	At 30.6.23 £
<b>Net cash</b>			
Cash at bank and in hand	3,007,360	461,320	3,468,680
	<u>3,007,360</u>	<u>461,320</u>	<u>3,468,680</u>
<b>Total</b>	<b>3,007,360</b>	<b>461,320</b>	<b>3,468,680</b>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Support costs

Costs which, while necessary to deliver an activity, do not themselves produce the activity. They include the central office functions of the charity and are often apportioned to activities. The amount shown here is the total amount of support costs (for charitable, fundraising and governance activities) included in resources expended. They are apportioned at the following percentages.

Governance costs	- 100%
Premises costs	- 10%
Communication costs	- 50%
Travel	- 25%
Personnel	- 10%
Financial	- 25%

### Governance costs

Expenditure on the governance costs of the charity includes expenditure that relates specifically to the strategic and future development of the charity.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment and furniture	- 5% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

### Investment property

The investment property has been valued at £50,000 by the board of trustees.

### Taxation

The charity is exempt from tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The trustees operate each community and project of the charity as a separate designated fund.

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fund transfers occur biannually in the charity to reallocate financial resources between the designated funds and the general fund of the charity. Funds raised or donations authorised by the trustees, for the restricted activities are also transferred.

**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 rate of exchange ruling at the date of transaction

**Investments**

Investments are included in the financial statements at the year end market value. Income from investments, bank and other deposits are included on an accruals basis.

**2. DONATIONS AND LEGACIES**

	<b>30.6.23</b>	30.6.22
	£	£
Donations	<b>1,081</b>	30,833
Mass stipends	<b>10,431</b>	23,392
Stole fees	<b>5,758</b>	2,041
Supply fees	<b>5,524</b>	4,128
Education and training	-	52,134
	<u><b>22,794</b></u>	<u>112,528</u>

**3. OTHER TRADING ACTIVITIES**

	<b>30.6.23</b>	30.6.22
	£	£
Fundraising events	-	15,072
Other income	<b>4,830</b>	1,040
	<u><b>4,830</b></u>	<u>16,112</u>

**4. INVESTMENT INCOME**

	<b>30.6.23</b>	30.6.22
	£	£
Rents received	<b>1,575</b>	1,575
Dividend income	<b>278,873</b>	271,970
Deposit account interest	<b>2,025</b>	2,547
	<u><b>282,473</b></u>	<u>276,092</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

5. INCOME FROM CHARITABLE ACTIVITIES

		<b>30.6.23</b>	30.6.22
	Activity	£	£
Contributions from members	General	<b>90,967</b>	98,907
		<u>          </u>	<u>          </u>

6. RAISING FUNDS

Investment management costs

		<b>30.6.23</b>	30.6.22
		£	£
Portfolio management		<b>19,470</b>	20,555
		<u>          </u>	<u>          </u>

7. CHARITABLE ACTIVITIES COSTS

		Direct Costs £	Support costs (see note 8) £	Totals £
General		<b>500,207</b>	<b>92,743</b>	<b>592,950</b>
		<u>          </u>	<u>          </u>	<u>          </u>

8. SUPPORT COSTS

		Management £	Other £	Governance costs £	Totals £
General		<b>41,536</b>	<b>966</b>	<b>50,241</b>	<b>92,743</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2023 nor for the year ended 30 June 2022.

10. STAFF COSTS

		<b>30.6.23</b>	30.6.22
		£	£
Wages and salaries		<b>42,777</b>	43,636
Social security costs		<b>5,314</b>	5,421
		<u>          </u>	<u>          </u>
		<b>48,091</b>	49,057
		<u>          </u>	<u>          </u>

The average monthly number of employees during the year was as follows:

		<b>30.6.23</b>	30.6.22
Charitable Activities		<b>2</b>	2
		<u>          </u>	<u>          </u>

No employees received emoluments in excess of £60,000.

## 11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment and furniture £	
<b>COST</b>				
At 1 July 2022	1,366,046	1,143,576	191,097	
Additions	-	-	-	
At 30 June 2023	1,366,046	1,143,576	191,097	
<b>DEPRECIATION</b>				
At 1 July 2022	489,227	238,413	11,750	
Charge for year	27,321	22,874	567	
At 30 June 2023	516,548	261,287	12,317	
<b>NET BOOK VALUE</b>				
At 30 June 2023	849,498	882,289	178,780	
At 30 June 2022	876,819	905,163	179,347	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2022	13,600	88,962	3,181	2,806,462
Additions	-	8,250	-	8,250
At 30 June 2023	13,600	97,212	3,181	2,814,712
<b>DEPRECIATION</b>				
At 1 July 2022	4,091	78,748	2,762	824,991
Charge for year	476	8,015	105	59,358
At 30 June 2023	4,567	86,763	2,867	884,349
<b>NET BOOK VALUE</b>				
At 30 June 2023	9,033	10,449	314	1,930,363
At 30 June 2022	9,509	10,214	419	1,981,471

Included in Equipment and furniture are paintings and works of art that were gifted to the charity in 2002. These assets are believed to have residual values not materially different to the carrying values and are therefore not depreciated. These assets were independently valued in March 2002 with a value of £168,000. The replacement value for insurance purposes at September 2014 was approximately £296,000.

At 30 June 2023 Smithstone House in Kilwinning Scotland, is disclosed at a carrying value of £265,257 including improvement costs of £257,390, in the opinion of the trustees this has an approximate market value of £750,000. The market value of all other freehold property is not considered to be materially different from the carrying values.

**12. FIXED ASSET INVESTMENTS**

	UK quoted fixed interest £	Other listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 July 2022	6,432,874	19,744	6,452,618
Revaluations	(205,285)	5,782	(199,503)
	<u>6,227,589</u>	<u>25,526</u>	<u>6,253,115</u>
At 30 June 2023	<u>6,227,589</u>	<u>25,526</u>	<u>6,253,115</u>
<b>NET BOOK VALUE</b>			
At 30 June 2023	<u>6,227,589</u>	<u>25,526</u>	<u>6,253,115</u>
At 30 June 2022	<u>6,432,874</u>	<u>19,744</u>	<u>6,452,618</u>

There were no investment assets outside the UK.

Cost or valuation at 30 June 2023 is represented by:

	UK quoted fixed interest £	Other listed investments £	Totals £
Valuation in 2022	6,432,874	19,744	6,452,618
Valuation in 2023	(205,285)	5,782	(199,503)
	<u>6,227,589</u>	<u>25,526</u>	<u>6,253,115</u>

**13. INVESTMENT PROPERTY**

	30.06.19	30.06.18
	£	£
Agricultural land - Redbourne, Hertfordshire	<u>50,000</u>	<u>50,000</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.23	30.6.22
	£	£
Other debtors	<u>130,975</u>	<u>71</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23	30.6.22
	£	£
Other creditors	<u>806,739</u>	<u>54,268</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.23	30.6.22
	£	£
Within one year	7,740	6,249
Between one and five years	-	1,898
	<u>7,740</u>	<u>8,147</u>

17. MOVEMENT IN FUNDS

	At 1.7.22	Net movement in funds	Transfers between funds	At 30.6.23
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	2,834,753	140,367	(145,103)	2,830,017
Pension Augmentation	6,423,163	(205,284)	-	6,217,879
Inchicore, Dublin	358,337	(167,702)	26,500	217,135
Promotions	6	(2)	-	4
St. Joseph's, Stockport	(9,142)	(4,750)	-	(13,892)
Smithstone House	77,779	(114,192)	92,000	55,587
St. John's, Stockport	1,506,171	(60,830)	26,603	1,471,944
Ardlea, Dublin	16,337	1,244	-	17,581
Pilgrimage Fund	23,511	291	-	23,802
	<u>11,230,915</u>	<u>(410,858)</u>	-	<u>10,820,057</u>
<b>Restricted funds</b>				
Moldova fund	191,523	-	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>206,337</u>	-	-	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,437,252</u>	<u>(410,858)</u>	-	<u>11,026,394</u>

Sacred Heart Fathers Trust

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	281,772	(147,187)	5,782	140,367
Pension Augmentation	-	-	(205,284)	(205,284)
Inchicore, Dublin	14,156	(181,858)	-	(167,702)
Promotions	(1)	(1)	-	(2)
St. Joseph's, Stockport	17,986	(22,736)	-	(4,750)
Smithstone House	8,755	(122,947)	-	(114,192)
St. John's, Stockport	21,941	(82,771)	-	(60,830)
Ardlea, Dublin	56,164	(54,920)	-	1,244
Pilgrimage Fund	291	-	-	291
	<u>401,064</u>	<u>(612,420)</u>	<u>(199,502)</u>	<u>(410,858)</u>
<b>TOTAL FUNDS</b>	<u>401,064</u>	<u>(612,420)</u>	<u>(199,502)</u>	<u>(410,858)</u>

Comparatives for movement in funds

	At 1.7.21 £	Net movement in funds £	Transfers between funds £	At 30.6.22 £
<b>Unrestricted funds</b>				
General fund	4,503,029	55,913	(1,724,189)	2,834,753
Pension Augmentation	6,870,628	(447,465)	-	6,423,163
Inchicore, Dublin	234,709	(60,967)	184,595	358,337
Promotions	7	(1)	-	6
St. Joseph's, Stockport	(26,572)	17,430	-	(9,142)
Smithstone House	110,072	(97,893)	65,600	77,779
St. John's, Stockport	65,618	(33,441)	1,473,994	1,506,171
Ardlea, Dublin	11,278	5,059	-	16,337
Pilgrimage Fund	23,409	102	-	23,511
	<u>11,792,178</u>	<u>(561,263)</u>	<u>-</u>	<u>11,230,915</u>
<b>Restricted funds</b>				
Moldova fund	189,903	1,620	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>204,717</u>	<u>1,620</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,996,895</u>	<u>(559,643)</u>	<u>-</u>	<u>11,437,252</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

## 17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	275,166	(211,928)	(7,325)	55,913
Pension Augmentation	(1)	-	(447,464)	(447,465)
Inchicore, Dublin	71,394	(132,361)	-	(60,967)
Promotions	1	(2)	-	(1)
St. Joseph's, Stockport	58,432	(41,002)	-	17,430
Smithstone House	8,073	(105,966)	-	(97,893)
St. John's, Stockport	17,214	(50,655)	-	(33,441)
Ardlea, Dublin	71,638	(66,579)	-	5,059
Pilgrimage Fund	102	-	-	102
	<u>502,019</u>	<u>(608,493)</u>	<u>(454,789)</u>	<u>(561,263)</u>
<b>Restricted funds</b>				
Moldova fund	1,620	-	-	1,620
	<u>503,639</u>	<u>(608,493)</u>	<u>(454,789)</u>	<u>(559,643)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.21 £	Net movement in funds £	Transfers between funds £	At 30.6.23 £
<b>Unrestricted funds</b>				
General fund	4,503,029	196,280	(1,869,292)	2,830,017
Pension Augmentation	6,870,628	(652,749)	-	6,217,879
Inchicore, Dublin	234,709	(228,669)	211,095	217,135
Promotions	7	(3)	-	4
St. Joseph's, Stockport	(26,572)	12,680	-	(13,892)
Smithstone House	110,072	(212,085)	157,600	55,587
St. John's, Stockport	65,618	(94,271)	1,500,597	1,471,944
Ardlea, Dublin	11,278	6,303	-	17,581
Pilgrimage Fund	23,409	393	-	23,802
	<u>11,792,178</u>	<u>(972,121)</u>	<u>-</u>	<u>10,820,057</u>
<b>Restricted funds</b>				
Moldova fund	189,903	1,620	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>204,717</u>	<u>1,620</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,996,895</u>	<u>(970,501)</u>	<u>-</u>	<u>11,026,394</u>

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	556,938	(359,115)	(1,543)	196,280
Pension Augmentation	(1)	-	(652,748)	(652,749)
Inchicore, Dublin	85,550	(314,219)	-	(228,669)
Promotions	-	(3)	-	(3)
St. Joseph's, Stockport	76,418	(63,738)	-	12,680
Smithstone House	16,828	(228,913)	-	(212,085)
St. John's, Stockport	39,155	(133,426)	-	(94,271)
Ardlea, Dublin	127,802	(121,499)	-	6,303
Pilgrimage Fund	393	-	-	393
	<u>903,083</u>	<u>(1,220,913)</u>	<u>(654,291)</u>	<u>(972,121)</u>
<b>Restricted funds</b>				
Moldova fund	1,620	-	-	1,620
	<u>1,620</u>	<u>-</u>	<u>-</u>	<u>1,620</u>
<b>TOTAL FUNDS</b>	<u><u>904,703</u></u>	<u><u>(1,220,913)</u></u>	<u><u>(654,291)</u></u>	<u><u>(970,501)</u></u>

**Transfers between funds**

Transfers between the individual unrestricted designated funds are made at the discretion of the trustees.

18. RELATED PARTY DISCLOSURES

Included in Other creditors is a loan from Sacred Heart Fathers Education & Training charity, which is controlled by the the trustees of the charity. The loan advanced was £727,041 which is repayable on demand.

19. UNRESTRICTED FUNDS

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objectives.

20. DESIGNATED FUNDS

The charity operates a separate designated fund for each of the communities and projects that it operates.

Pension Augmentation

The investment is held to generate incoming resources that contribute towards the financial support of retired priests.

Inchicore, Dublin

This fund represents the income and expenditure relating to the house, which provides residence for students as well as retired priests.

Promotions

The fund represents the income and expenditure that relates to the promotion of the charity.

St Joseph's, Stockport

The fund represents the income and expenditure that relates to the resident priest, who works in the parish, and retired priests.

Smithstone House

The fund represents the income and expenditure relating to Smithstone House, which operates as a house of prayer.

St John's, Stockport

**20. DESIGNATED FUNDS - continued**

St John's, Stockport

The fund represents the income and expenditure relating to the house that is the residence of the Provincialate as well as older priests and brothers.

Ardlea, Dublin

The fund represents the income and expenditure that relates to the resident priest's who works in the parish.

Pilgrimages fund

The fund represents monies collected that were surplus to expenditure incurred on pilgrimage trips the charity operates. The designated fund will be used to support future pilgrimage costs.

**21. RESTRICTED FUNDS**

Moldova fund

The income received is used to support missionary work in Moldova.

Fr O Wynne Book fund

The income relates to a legacy received towards the printing and promotion of books by Fr O Wynne.

**SACRED HEART FATHERS TRUST**

England & Wales - Charity number 215011

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# Accounts

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**Report of the Trustees and  
Financial Statements  
for the Year Ended 30 June 2022  
for  
Sacred Heart Fathers Trust**

SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

**Sacred Heart Fathers Trust**

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for the Year Ended 30 June 2022**

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## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2022

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objective of the charity is the advancement of religion.

This includes:

- The pastoral care of individuals and groups.
- To provide places of spiritual retreat, courses in personal development and religious education
- Assistance with the on-going education of children and young adults
- The relief of poverty and sickness at home and abroad. To assist in the relief of poverty and its consequences in areas of the mission of the Congregation and in areas of natural disasters.
- Welcoming students from poorer countries to study at accredited educational facilities in the UK and Ireland.
- Welcoming students to study at recognised English language schools to enable the international development of the Congregation.
- To promote vocations and ongoing formations to the Congregation and to educate and train both current and new Members of the Congregation.
- Providing places of retreat open to all.
- Life - long care for the members. To promote the spiritual, moral, and intellectual wellbeing of the Members of the Congregation.
- To provide services and nursing care for the sick and elderly Members of the Congregation in accordance with the core values and ethos of the Congregation.

## ACHIEVEMENT AND PERFORMANCE

### Charitable activities

The Sacred Heart Fathers continues to offer support for students, adults, retreats, quiet times, spiritual direction and accompaniment for individuals and groups in various locations throughout Great Britain and Ireland. By its very nature the Congregation is an apostolic institute; and so we readily place ourselves at the service of the Church in its various pastoral works.

The administrative Centre for the group is at St John's, Stockport, where, as well as offices for the Province Administration, provision is made for older members, assisted by the services of the St John of God Hospitaller Service. St John's is also the setting for the Promotions Office - the function of which is to promote the spirituality of the Sacred Heart and to keep in contact with benefactors. Various mailings are sent out during the year to our benefactors during the year. A letter is written at least twice a year informing benefactors of recent news and events and inviting them to make a contribution to the work of the Sacred Heart Fathers. Over time, with an increased age profile of benefactors, the list has grown smaller. At this point, it is important to note the impact of the Covid 19 pandemic and its aftermath on promotions activity. Overall, donations decreased during the period.

St John's also has the facility to welcome small groups for periods of prayer, retreat and reflection. These are day or evening groups. St John's also welcomes young adults who belong to the 2030 group. Project 2030 aims to provide support and activities to enable the faith formation and personal development of members through organised religious and social events. Visiting members of the Congregation from abroad are also welcomed at St John's. Members come for meetings of the Sacred Heart Fathers and have the possibility to spend some time of sabbatical there.

Currently, the Order administers the parishes of St John Vianney (Dublin), and St Joseph (Stockport town centre, Cheshire) on behalf of the respective dioceses. In the pastoral care of those entrusted to us we aim to give concrete expression to our spirituality and develop the life of the Church. During the Covid pandemic attendance at parish events greatly restricted. To reach out to people social media was used and pastoral care continued in a more limited way. The Sacred Heart Fathers continue to use social media in our parish ministry and in the ministry of Project 2030. Overall numbers attending religious services are still lower than before Covid 19.

The Congregation continues to develop our ministry at Smithstone House, Kilwinning, Ayrshire, Scotland. The community organise religious services and adult spiritual formation courses. Adult faith formation courses and days of retreat are given at various times during the year. The community also welcome individuals for private days of prayer and reflection. During the period, a self-contained poustinia was developed. An individual can spend several days here undisturbed, in silence and tranquillity. The community also provides holidays for visiting SCJ priests and brothers throughout the year as well as being a residence for elderly members. The development of facilities and maintenance of the current buildings is reflected in an increased cost during the period. To reduce reliance on electricity and gas, the community also installed wood burner stoves to provide heating, making use of timber from the adjoining wood.

The community at Inchicore Road, Dublin, Ireland, is the main formation community and welcomes new candidates to the Congregation. It is also a residence for elderly retired members. As the centre of formation it also welcomes students from the Congregation who come from abroad to study. It also welcomes members for sabbatical, English language and renewal. The community welcomes individuals and groups for personal development and spiritual growth including young adults who belong to the 2030 group. To provide for the care of the elderly two staff are employed. Consequently, the community at Inchicore Road has a higher wage bill than any other community.

When the community is unable to provide the level of care needed the individual has to become resident in a nursing home. Depending on the needs of the individual, this can be on a permanent or temporary basis. This situation is constantly under review. It is our intention that all members should be able to stay in the community for as long as possible.

The Province is welcoming, open and outward looking welcoming for study or sabbatical. It is intended that members who avail of this opportunity will have a positive experience of life and ministry in the United Kingdom and Ireland.

The Trust supports members of the Sacred Heart Fathers who work in some of the poorest parts of Europe, e.g. Moldova / Transdniester and across the world in the Philippines and Cameroon. The fund for Moldova was set up after the visit of the Provincial to the area some years ago - and is a response to the extreme poverty of people there. The fund is used to help the Congregation develop its spiritual and social mission in Moldova - providing material aid and also helping to support the pastoral work of the Congregation in Moldova. The funds will be used to alleviate poverty, give support to local communities, providing adult and youth formation, and provide part contribution towards the building of pastoral centre and churches, local medical centres and so on. The project is part of contribution of the Congregation to the overall mission of the Church in Moldova. The Trust also made a contribution to the work of the Congregation in Cameroon. This is used in the education of students for the priesthood and in the provision of library books. Currently, there are two priests and one brother from Cameroon assisting in the ministry of the Province - one in England and two in Ireland. This is a sign international collaboration within the Order and helps to further the mission of the Sacred Heart Fathers.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2022

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With regard to the Book Fund - there has been no movement since June 2018. This was due to the death of Fr Owen Wynne who was responsible for producing material including books and booklets on the spirituality of the Congregation. The task has now been reassigned and the fund will be reviewed as part of the overall review of promotion material methods.

Each community uses volunteers in various capacities. The roles include administration, leading groups, caring for the sick, elderly and disabled (including some volunteer retired nurses), housekeeping and cleaning. Whilst the volunteers' work is greatly appreciated it is not appropriate to place an economic value on it and it is therefore not included in the Statement of Financial Activities.

There was an increase in Donations and Legacies received, due mainly to a bequest received from a donor and an increase in donations for Education and Training. It is notable that stole fees and Mass stipends decreased during the period. This is largely due to the ongoing impact of Covid 19 and reduced congregations at religious services. There was an increase in medical expenses reflecting the care needs of members. There was also an increase in travel expenses reflecting the opening up of society after the various lockdowns and the necessity to attend meetings both locally and internationally. There was a decrease in the amount spent on repair and maintenance of buildings. However, this cost may increase again in the future and is constantly under review.

Like all Religious Orders in Europe the Congregation has seen a decline in membership in recent years - mainly due to the death of elderly members. However, priests and brothers from other parts of the Order have come to live and minister here on a permanent or extended basis (always in compliance with visa regulations when required). The international leadership of the Sacred Heart Fathers in Rome is keen to promote the exchange of appropriately qualified personnel. Exchange of personnel is always under review and all must comply with police vetting and safeguarding policy and procedures.

The Order will continue to look for new ways of fund raising during the year and seek to attract new donors. It will also continue to develop our promotions resources and material. It will continue to develop links with other regions of the congregation to foster the exchange of personnel. It will also continue to support the education of future priests and brothers for the Order. The Province will continue to build on the work already being and seek new ways to promote and develop the work of the Trust.

#### **FINANCIAL REVIEW**

##### **Investment policy and objectives**

The Investment Portfolio is suitably diversified to reduce volatility. The charity's long term time horizon and the key investment risk is inflation. The Trustees wish to target a total return objective of inflation plus 4% over the long term and selected the Charity Multi-Asset Fund in order to achieve this. The trustees would also like a regular, sustainable income from their investments and have chosen to invest in the distribution units which target a 4% distribution per annum. The charity is able to tolerate volatility of capital value in line with the pursuit of the long term investment objective, the preservation of the real capital value. There are no anticipated capital cash flow needs and the Charity has the capacity to absorb short term losses without prejudicing the long term sustainability.

## FINANCIAL REVIEW

### Reserves policy

The total charity funds have decreased from £12.00m to £11.4m during the year. Included within the total funds are restricted funds of £0.20m (2021 - £0.20m). Free reserves are defined as unrestricted reserves represented by the total of current assets less creditors. The free reserves at 30 June 2022 were £2.75m (2021 - £2.80m).

Tangible assets for use are excluded on the grounds that they are used operationally and their disposal may adversely impact on the charity's ability to deliver its aims.

The Pension Augmentation fund represented by £6.5m investments is also excluded on the grounds that the charity is obliged to seek a return on capital to contribute towards the ongoing personal upkeep and costs of elderly and retired priests.

The charity's reserves policy recognises the requirement to maintain a level of free reserves that provides the following to support its various charitable activities:

#### Working Capital

Funding of capital projects that maintain, improve and develop the charity's portfolio of buildings and activities.

Available funds that might be required in the event of emergencies and unforeseen events.

Between 5 and 7 years running expenses at a level of approximately £400,000 are a guide for these purposes. On this basis actual free reserves need to be between £2m and £2.8m

As well as managing free reserves the charity monitors cash flows carefully to ensure that sufficient funds are available to meet ongoing operating and capital requirements. At the end of the year unrestricted cash at bank was £2.80m (2021 - £2.84m)

The trustees review and monitor reserves on an annual basis and where they identify reserves rise or fall significantly above or below their target, they consider if corrective action is necessary.

The Provincial Bursar reports regularly to the Trustees and receives financial reports bi-annually from all the communities which are then reviewed.

### Cash Reserves and Investments

From the balance sheet on page eleven of this report it can be seen that there was a decrease in the value of the trust from £11,996,895 to £11,437,251.

Cash held in bank accounts and in hand has marginally decreased from £3,040,175 to £3,007,360.

The land at Redbourne in Hertfordshire remains let out as farm land. We renegotiated the rent a few years ago but we continue to look into ways that this resource can improve its return for the trust.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Structure**

The Congregation of the Priests of the Sacred Heart (SCJ) was founded in France, in 1878. In Great Britain and Ireland the Congregation is known as the Sacred Heart Fathers. In other parts of the world its members are known as the Dehonians in reference to the Founder, Fr. Leo John Dehon. The Sacred Heart Fathers is a Religious Congregation of men within the Roman Catholic Church. It is an international Religious Congregation of over 2300 priests and brothers living and working in 42 countries in five continents. The Congregation is divided into Provinces, Regions and Districts. The Great Britain - Ireland Province comprises England, Scotland and Ireland. The Congregation first came to England in 1936, to Scotland in 1970 and to Ireland in 1978. Within Great Britain and Ireland (the GBI Province) it operates as a charitable trust with a single governing body, namely the Provincial Council, which manages the group according to the trust deed of the Charity and the Canon law of the Church. The Provincial Council are the trustees of the charity together with the bursar.

There are regular meetings of the Provincial Council throughout the year. Financial matters are discussed by a finance committee and by the trustees at designated meetings. The Sacred Heart Fathers operate in accordance with their Constitutions and also the Provincial Directory of September 2014.

### **Risk Management**

The trustees accept their responsibility to carry out and to respond to a regular review of the risks to which the Charity is exposed. By means of audits and expert guidance they seek to ensure that appropriate financial controls are in place to provide reasonable assurance against error and fraud. Management recommendations arising from the annual audit are fully discussed at a finance meeting of the trustees and whenever changes are required to be made these are implemented as fully and quickly as possible.

### **Public Benefit**

The trustees acknowledge the Charity Commission's guidance on Public Benefit and have taken this into account when reviewing and planning their activities. In their planning for 2021 - 2022 they considered in particular, how best to use the resources of the Charity in respect of the duty of care owed to the older members particularly in response to the Covid 19 pandemic. They also approved the continued development of the community house in Inchicore Dublin to provide better facilities for students and the care of the elderly members of the community resident there. They also examined at ways to develop the facilities at Smithstone House to provide better facilities for visitors seeking retreat and personal renewal.

### **On-Going Training / Professional Development**

New trustees are given induction and training as appropriate and have been provided with relevant material. (CC3, & CC35, from the Charity Commission for England and Wales)

The bursar attends courses and conferences designed to keep him up-to-date with best practice in Britain and Ireland.

He has professional assistance from a firm of chartered accountants with understanding of the Charity sector. The bursar is a member of the Association of Province Bursars (APB) and participates in professional development programmes nationally and internationally.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Charity number**

215011

### **Principal address**

St John's  
266 Wellington Road North  
Stockport  
Cheshire  
SK42QR

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2022

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#### Trustees

Reverend H Hanley SCJ  
Reverend J Kelly SCJ  
Reverend J Matthews SCJ (resigned 1.3.23)  
Reverend R Mann SCJ  
Reverend P Murphy SCJ (resigned 1.3.23)  
Reverend M Szalwa SCJ (appointed 1.3.23)  
Reverend M S Temgo SCJ (appointed 1.3.23)

#### Auditors

SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP

#### Principal Solicitors

Royds RDW  
2 Crane Court  
Fleet Street  
London  
EC4A 2BL

#### Principal Bank

Lloyds Bank  
Regent Street  
Wrexham  
LL11 1SE

#### Registered in Scotland

SC 041571

#### Registered in Ireland

CHY7096

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with law applicable to charities operating in England and Wales, and in Scotland, namely the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the 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.

**Sacred Heart Fathers Trust**

**Report of the Trustees  
for the Year Ended 30 June 2022**

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Approved by order of the board of trustees on ..... **21 November 2024** ..... and signed on its behalf by:

Rev John Kelly SCJ

.....  
Reverend J Kelly SCJ - Trustee

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

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### Opinion

We have audited the financial statements of Sacred Heart Fathers Trust (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2022 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

**Report of the Independent Auditors to the Trustees of  
Sacred Heart Fathers Trust**

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**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and under Section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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: the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.
- We assessed the susceptibility of the Charity's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities). This description forms part of our Report of the Independent Auditors.

**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 and in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditors' 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.



SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP

Date: 22.11.2024

Sacred Heart Fathers Trust

Statement of Financial Activities  
for the Year Ended 30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	110,908	1,620	112,528	70,276
<b>Charitable activities</b>					
General	5	98,907	-	98,907	133,541
Other trading activities	3	16,112	-	16,112	770
Investment income	4	276,092	-	276,092	268,501
<b>Total</b>		<b>502,019</b>	<b>1,620</b>	<b>503,639</b>	<b>473,088</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	20,555	-	20,555	18,901
<b>Charitable activities</b>					
General	7	587,938	-	587,938	499,087
<b>Total</b>		<b>608,493</b>	<b>-</b>	<b>608,493</b>	<b>517,988</b>
Net gains/(losses) on investments		(454,789)	-	(454,789)	723,194
<b>NET INCOME/(EXPENDITURE)</b>		<b>(561,263)</b>	<b>1,620</b>	<b>(559,643)</b>	<b>678,294</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		11,792,178	204,717	11,996,895	11,318,601
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,230,915</b>	<b>206,337</b>	<b>11,437,252</b>	<b>11,996,895</b>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Balance Sheet  
30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	1,981,471	-	1,981,471	2,042,250
<b>Investments</b>					
Investments	12	6,452,618	-	6,452,618	6,907,407
Investment property	13	50,000	-	50,000	50,000
		<u>8,484,089</u>	<u>-</u>	<u>8,484,089</u>	<u>8,999,657</u>
<b>CURRENT ASSETS</b>					
Debtors	14	71	-	71	71
Cash at bank and in hand		2,801,024	206,336	3,007,360	3,040,175
		<u>2,801,095</u>	<u>206,336</u>	<u>3,007,431</u>	<u>3,040,246</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(54,269)	1	(54,268)	(43,008)
		<u>2,746,826</u>	<u>206,337</u>	<u>2,953,163</u>	<u>2,997,238</u>
<b>NET CURRENT ASSETS</b>					
		<u>11,230,915</u>	<u>206,337</u>	<u>11,437,252</u>	<u>11,996,895</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>11,230,915</u>	<u>206,337</u>	<u>11,437,252</u>	<u>11,996,895</u>
<b>NET ASSETS</b>					
		<u>11,230,915</u>	<u>206,337</u>	<u>11,437,252</u>	<u>11,996,895</u>
<b>FUNDS</b>					
	17			11,230,915	11,792,178
Unrestricted funds				206,337	204,717
Restricted funds					
<b>TOTAL FUNDS</b>					
				<u>11,437,252</u>	<u>11,996,895</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .....21 November 2024 and were signed on its behalf by:

Rev John Kelly SCJ

.....  
J Kelly SCJ - Trustee

The notes form part of these financial statements

Sacred Heart Fathers Trust

Cash Flow Statement  
for the Year Ended 30 June 2022

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	Notes	30.6.22 £	30.6.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(307,332)</u>	<u>(238,179)</u>
Net cash used in operating activities		<u>(307,332)</u>	<u>(238,179)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(17,018)
Interest received		2,547	1,346
Dividends received		<u>271,970</u>	<u>265,580</u>
Net cash provided by investing activities		<u>274,517</u>	<u>249,908</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(32,815)</u>	<u>11,729</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>3,040,175</u>	<u>3,028,446</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>3,007,360</u></u>	<u><u>3,040,175</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	30.6.22 £	30.6.21 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	<b>(559,643)</b>	678,294
<b>Adjustments for:</b>		
Depreciation charges	60,780	60,886
Losses/(gain) on investments	454,789	(723,194)
Loss on disposal of fixed assets	-	3
Interest received	(2,547)	(1,346)
Dividends received	(271,970)	(265,580)
Increase in creditors	11,259	12,758
<b>Net cash used in operations</b>	<b>(307,332)</b>	<b>(238,179)</b>

2. ANALYSIS OF CHANGES IN NET FUNDS	At 1.7.21 £	Cash flow £	At 30.6.22 £
<b>Net cash</b>			
Cash at bank and in hand	3,040,175	(32,815)	3,007,360
	<u>3,040,175</u>	<u>(32,815)</u>	<u>3,007,360</u>
<b>Total</b>	<b><u>3,040,175</u></b>	<b><u>(32,815)</u></b>	<b><u>3,007,360</u></b>

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Support costs**

Costs which, while necessary to deliver an activity, do not themselves produce the activity. They include the central office functions of the charity and are often apportioned to activities. The amount shown here is the total amount of support costs (for charitable, fundraising and governance activities) included in resources expended. They are apportioned at the following percentages.

Governance costs	- 100%
Premises costs	- 10%
Communication costs	- 50%
Travel	- 25%
Personnel	- 10%
Financial	- 25%

**Governance costs**

Expenditure on the governance costs of the charity includes expenditure that relates specifically to the strategic and future development of the charity.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment and furniture	- 5% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

**Investment property**

The investment property has been valued at £50,000 by the board of trustees.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The trustees operate each community and project of the charity as a separate designated fund.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1. ACCOUNTING POLICIES - continued

**Fund accounting**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fund transfers occur biannually in the charity to reallocate financial resources between the designated funds and the general fund of the charity. Funds raised or donations authorised by the trustees, for the restricted activities are also transferred.

**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 rate of exchange ruling at the date of transaction

**Investments**

Investments are included in the financial statements at the year end market value. Income from investments, bank and other deposits are included on an accruals basis.

2. DONATIONS AND LEGACIES

	<b>30.6.22</b>	30.6.21
	£	£
Donations	<b>30,833</b>	17,378
Mass stipends	<b>23,392</b>	32,571
Stole fees	<b>2,041</b>	1,407
Supply fees	<b>4,128</b>	-
Education and training	<b>52,134</b>	18,920
	<u><b>112,528</b></u>	<u>70,276</u>

3. OTHER TRADING ACTIVITIES

	<b>30.6.22</b>	30.6.21
	£	£
Fundraising events	<b>15,072</b>	770
Other income	<b>1,040</b>	-
	<u><b>16,112</b></u>	<u>770</u>

4. INVESTMENT INCOME

	<b>30.6.22</b>	30.6.21
	£	£
Rents received	<b>1,575</b>	1,575
Dividend income	<b>271,970</b>	265,580
Deposit account interest	<b>2,547</b>	1,346
	<u><b>276,092</b></u>	<u>268,501</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>30.6.22</b>	30.6.21
		£	£
Contributions from members	Activity General	<b>98,907</b>	99,041
Grants	General	-	34,500
		<u><b>98,907</b></u>	<u>133,541</u>

Grants received, included in the above, are as follows:

		<b>30.6.22</b>	30.6.21
		£	£
Covid support grants		-	34,500
		<u>-</u>	<u>34,500</u>

**6. RAISING FUNDS**

**Investment management costs**

		<b>30.6.22</b>	30.6.21
		£	£
Portfolio management		<b>20,555</b>	18,901
		<u>20,555</u>	<u>18,901</u>

**7. CHARITABLE ACTIVITIES COSTS**

		Direct Costs	Support costs (see note 8)	Totals
		£	£	£
General		<b>463,192</b>	<b>124,746</b>	<b>587,938</b>
		<u>463,192</u>	<u>124,746</u>	<u>587,938</u>

**8. SUPPORT COSTS**

		Management	Other	Governance costs	Totals
		£	£	£	£
General		<b>35,940</b>	<b>1,255</b>	<b>87,551</b>	<b>124,746</b>
		<u>35,940</u>	<u>1,255</u>	<u>87,551</u>	<u>124,746</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

**10. STAFF COSTS**

		<b>30.6.22</b>	30.6.21
		£	£
Wages and salaries		<b>43,636</b>	41,948
Social security costs		<b>5,421</b>	4,686
		<u><b>49,057</b></u>	<u>46,634</u>

The average monthly number of employees during the year was as follows:

		<b>30.6.22</b>	30.6.21
		2	2
Charitable Activities		<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

## 11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment and furniture £	
<b>COST</b>				
At 1 July 2021 and 30 June 2022	<u>1,366,046</u>	<u>1,143,576</u>	<u>191,097</u>	
<b>DEPRECIATION</b>				
At 1 July 2021	<u>461,906</u>	<u>215,539</u>	<u>11,153</u>	
Charge for year	<u>27,321</u>	<u>22,874</u>	<u>597</u>	
At 30 June 2022	<u>489,227</u>	<u>238,413</u>	<u>11,750</u>	
<b>NET BOOK VALUE</b>				
At 30 June 2022	<u>876,819</u>	<u>905,163</u>	<u>179,347</u>	
At 30 June 2021	<u>904,140</u>	<u>928,037</u>	<u>179,944</u>	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2021 and 30 June 2022	<u>13,600</u>	<u>88,962</u>	<u>3,181</u>	<u>2,806,462</u>
<b>DEPRECIATION</b>				
At 1 July 2021	<u>3,591</u>	<u>69,400</u>	<u>2,623</u>	<u>764,212</u>
Charge for year	<u>500</u>	<u>9,348</u>	<u>139</u>	<u>60,779</u>
At 30 June 2022	<u>4,091</u>	<u>78,748</u>	<u>2,762</u>	<u>824,991</u>
<b>NET BOOK VALUE</b>				
At 30 June 2022	<u>9,509</u>	<u>10,214</u>	<u>419</u>	<u>1,981,471</u>
At 30 June 2021	<u>10,009</u>	<u>19,562</u>	<u>558</u>	<u>2,042,250</u>

Included in Equipment and furniture are paintings and works of art that were gifted to the charity in 2002. These assets are believed to have residual values not materially different to the carrying values and are therefore not depreciated. These assets were independently valued in March 2002 with a value of £168,000. The replacement value for insurance purposes at September 2014 was approximately £296,000.

At 30 June 2022 Smithstone House in Kilwinning Scotland, is disclosed at a carrying value of £273,047 including improvement costs of £264,540, in the opinion of the trustees this has an approximate market value of £750,000. The market value of all other freehold property is not considered to be materially different from the carrying values.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**12. FIXED ASSET INVESTMENTS**

	UK quoted fixed interest £	Other listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 July 2021	6,880,338	27,069	6,907,407
Revaluations	(447,464)	(7,325)	(454,789)
	<u>6,432,874</u>	<u>19,744</u>	<u>6,452,618</u>
At 30 June 2022	<u>6,432,874</u>	<u>19,744</u>	<u>6,452,618</u>
<b>NET BOOK VALUE</b>			
At 30 June 2022	<u>6,432,874</u>	<u>19,744</u>	<u>6,452,618</u>
At 30 June 2021	<u>6,880,338</u>	<u>27,069</u>	<u>6,907,407</u>

There were no investment assets outside the UK.

Cost or valuation at 30 June 2022 is represented by:

	UK quoted fixed interest £	Other listed investments £	Totals £
Valuation in 2021	6,880,338	27,069	6,907,407
Valuation in 2022	(447,464)	(7,325)	(454,789)
	<u>6,432,874</u>	<u>19,744</u>	<u>6,452,618</u>

**13. INVESTMENT PROPERTY**

	30.06.19	30.06.18
	£	£
Agricultural land - Redbourne, Hertfordshire	<u>50,000</u>	<u>50,000</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.22	30.6.21
	£	£
Other debtors	<u>71</u>	<u>71</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

<b>15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
			<b>30.6.22</b>	30.6.21
			£	£
Other creditors			<b>54,268</b>	43,008
<b>16. LEASING AGREEMENTS</b>				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
			<b>30.6.22</b>	30.6.21
			£	£
Within one year			<b>6,249</b>	5,276
Between one and five years			<b>1,898</b>	5,457
			<b>8,147</b>	10,733
<b>17. MOVEMENT IN FUNDS</b>				
	At 1.7.21	Net	Transfers	At
	£	movement	between	30.6.22
		in funds	funds	£
		£	£	
<b>Unrestricted funds</b>				
General fund	4,503,029	55,913	(1,724,189)	2,834,753
Pension Augmentation	6,870,628	(447,465)	-	6,423,163
Inchicore, Dublin	234,709	(60,967)	184,595	358,337
Promotions	7	(1)	-	6
St. Joseph's, Stockport	(26,572)	17,430	-	(9,142)
Smithstone House	110,072	(97,893)	65,600	77,779
St. John's, Stockport	65,618	(33,441)	1,473,994	1,506,171
Ardlea, Dublin	11,278	5,059	-	16,337
Pilgrimage Fund	23,409	102	-	23,511
	<b>11,792,178</b>	<b>(561,263)</b>	<b>-</b>	<b>11,230,915</b>
<b>Restricted funds</b>				
Moldova fund	189,903	1,620	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<b>204,717</b>	<b>1,620</b>	<b>-</b>	<b>206,337</b>
<b>TOTAL FUNDS</b>	<b>11,996,895</b>	<b>(559,643)</b>	<b>-</b>	<b>11,437,252</b>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

## 17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	275,166	(211,928)	(7,325)	55,913
Pension Augmentation	(1)	-	(447,464)	(447,465)
Inchicore, Dublin	71,394	(132,361)	-	(60,967)
Promotions	1	(2)	-	(1)
St. Joseph's, Stockport	58,432	(41,002)	-	17,430
Smithstone House	8,073	(105,966)	-	(97,893)
St. John's, Stockport	17,214	(50,655)	-	(33,441)
Ardlea, Dublin	71,638	(66,579)	-	5,059
Pilgrimage Fund	102	-	-	102
	<u>502,019</u>	<u>(608,493)</u>	<u>(454,789)</u>	<u>(561,263)</u>
<b>Restricted funds</b>				
Moldova fund	1,620	-	-	1,620
	<u>503,639</u>	<u>(608,493)</u>	<u>(454,789)</u>	<u>(559,643)</u>

## Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
<b>Unrestricted funds</b>				
General fund	4,576,961	88,509	(162,441)	4,503,029
Pension Augmentation	6,151,235	719,393	-	6,870,628
Inchicore, Dublin	246,789	(103,321)	91,241	234,709
Promotions	10	(3)	-	7
St. Joseph's, Stockport	(16,558)	(10,014)	-	(26,572)
Smithstone House	78,127	(5,255)	37,200	110,072
St. John's, Stockport	47,757	(16,139)	34,000	65,618
Ardlea, Dublin	8,451	2,827	-	11,278
Pilgrimage Fund	23,407	2	-	23,409
	<u>11,116,179</u>	<u>675,999</u>	<u>-</u>	<u>11,792,178</u>
<b>Restricted funds</b>				
Moldova fund	187,608	2,295	-	189,903
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>202,422</u>	<u>2,295</u>	<u>-</u>	<u>204,717</u>
<b>TOTAL FUNDS</b>	<u>11,318,601</u>	<u>678,294</u>	<u>-</u>	<u>11,996,895</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

## 17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	268,956	(184,248)	3,801	88,509
Pension Augmentation	-	-	719,393	719,393
Inchicore, Dublin	36,272	(139,593)	-	(103,321)
Promotions	(1)	(2)	-	(3)
St. Joseph's, Stockport	22,597	(32,611)	-	(10,014)
Smithstone House	48,246	(53,501)	-	(5,255)
St. John's, Stockport	24,530	(40,669)	-	(16,139)
Ardlea, Dublin	70,142	(67,315)	-	2,827
Pilgrimage Fund	2	-	-	2
	<u>470,744</u>	<u>(517,939)</u>	<u>723,194</u>	<u>675,999</u>
<b>Restricted funds</b>				
Moldova fund	2,344	(49)	-	2,295
	<u>473,088</u>	<u>(517,988)</u>	<u>723,194</u>	<u>678,294</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.22 £
<b>Unrestricted funds</b>				
General fund	4,576,961	144,422	(1,886,630)	2,834,753
Pension Augmentation	6,151,235	271,928	-	6,423,163
Inchicore, Dublin	246,789	(164,288)	275,836	358,337
Promotions	10	(4)	-	6
St. Joseph's, Stockport	(16,558)	7,416	-	(9,142)
Smithstone House	78,127	(103,148)	102,800	77,779
St. John's, Stockport	47,757	(49,580)	1,507,994	1,506,171
Ardlea, Dublin	8,451	7,886	-	16,337
Pilgrimage Fund	23,407	104	-	23,511
	<u>11,116,179</u>	<u>114,736</u>	<u>-</u>	<u>11,230,915</u>
<b>Restricted funds</b>				
Moldova fund	187,608	3,915	-	191,523
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>202,422</u>	<u>3,915</u>	<u>-</u>	<u>206,337</u>
<b>TOTAL FUNDS</b>	<u>11,318,601</u>	<u>118,651</u>	<u>-</u>	<u>11,437,252</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**17. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	544,122	(396,176)	(3,524)	144,422
Pension Augmentation Inchicore, Dublin	(1)	-	271,929	271,928
Promotions	107,666	(271,954)	-	(164,288)
St. Joseph's, Stockport	-	(4)	-	(4)
Smithstone House	81,029	(73,613)	-	7,416
St. John's, Stockport	56,319	(159,467)	-	(103,148)
Ardlea, Dublin	41,744	(91,324)	-	(49,580)
Pilgrimage Fund	141,780	(133,894)	-	7,886
	104	-	-	104
	<u>972,763</u>	<u>(1,126,432)</u>	<u>268,405</u>	<u>114,736</u>
<b>Restricted funds</b>				
Moldova fund	3,964	(49)	-	3,915
	<u>976,727</u>	<u>(1,126,481)</u>	<u>268,405</u>	<u>118,651</u>

**Transfers between funds**

Transfers between the individual unrestricted designated funds are made at the discretion of the trustees.

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 30 June 2022.

**19. UNRESTRICTED FUNDS**

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objectives.

**20. DESIGNATED FUNDS**

The charity operates a separate designated fund for each of the communities and projects that it operates.

Pension Augmentation

The investment is held to generate incoming resources that contribute towards the financial support of retired priests.

Inchicore, Dublin

This fund represents the income and expenditure relating to the house, which provides residence for students as well as retired priests.

Promotions

The fund represents the income and expenditure that relates to the promotion of the charity.

St Joseph's, Stockport

The fund represents the income and expenditure that relates to the resident priest, who works in the parish, and retired priests.

Smithstone House

The fund represents the income and expenditure relating to Smithstone House, which operates as a house of prayer.

St John's, Stockport

**20. DESIGNATED FUNDS - continued**

The fund represents the income and expenditure relating to the house that is the residence of the Provinciate as well as older priests and brothers.

Ardlea, Dublin

The fund represents the income and expenditure that relates to the resident priest's who works in the parish.

Pilgrimages fund

The fund represents monies collected that were surplus to expenditure incurred on pilgrimage trips the charity operates. The designated fund will be used to support future pilgrimage costs.

**21. RESTRICTED FUNDS**

Moldova fund

The income received is used to support missionary work in Moldova.

Fr O Wynne Book fund

The income relates to a legacy received towards the printing and promotion of books by Fr O Wynne.

**SACRED HEART FATHERS TRUST**

England & Wales - Charity number 215011

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# Accounts

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**Report of the Trustees and  
Financial Statements  
for the Year Ended 30 June 2021  
for  
Sacred Heart Fathers Trust**

**SB&P  
Chartered Accountants & Statutory Auditors  
Oriol House  
2/8 Oriol Road  
Bootle  
Merseyside  
L20 7EP**

**Sacred Heart Fathers Trust**

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for the Year Ended 30 June 2021**

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## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2021

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objective of the charity is the advancement of religion.

This includes:

- The pastoral care of individuals and groups.
- To provide places of spiritual retreat, courses in personal development and religious education
- Assistance with the on-going education of children and young adults
- The relief of poverty and sickness at home and abroad. To assist in the relief of poverty and its consequences in areas of the mission of the Congregation and in areas of natural disasters.
- Welcoming students from poorer countries to study at accredited educational facilities in the UK and Ireland.
- Welcoming students to study at recognised English language schools to enable the international development of the Congregation.
- To promote vocations and ongoing formations to the Congregation and to educate and train both current and new Members of the Congregation.
- Providing places of retreat open to all.
- Life - long care for the members. To promote the spiritual, moral, and intellectual wellbeing of the Members of the Congregation.
- To provide services and nursing care for the sick and elderly Members of the Congregation in accordance with the core values and ethos of the Congregation.

## ACHIEVEMENT AND PERFORMANCE

### Charitable activities

The Sacred Heart Fathers continues to offer support for students, adults, retreats, quiet times, spiritual direction and accompaniment for individuals and groups in various locations throughout Great Britain and Ireland. By its very nature the Congregation is an apostolic institute; and so we readily place ourselves at the service of the Church in its various pastoral works.

The administrative Centre for the group is at St John's, Stockport, where, as well as offices for the Province Administration, provision is made for older members, assisted by the services of the St John of God Hospitaller Service. St John's is also the setting for the Promotions Office - the function of which is to promote the spirituality of the Sacred Heart and to keep in contact with benefactors and various mailings are sent out to our benefactors during the year. The cost of post and stationery increased during the period and will vary pending a review of the method of promotions and the material used.

St John's also welcomes young adults who belong to the 2030 group. Project 2030 aims to provide support and activities to enable the faith formation and personal development of members through organised religious and social events. Visiting members of the Congregation from abroad are also welcomed at St. John's.

Currently, the Order administers the parishes of St John Vianney (Dublin), and St Joseph (Stockport town centre, Cheshire) on behalf of the respective dioceses.

The Congregation continues to develop our ministry at Smithstone House, Kilwinning, Ayrshire, Scotland. The community organise religious services and adult spiritual formation courses. Adult faith formation courses are given at various times during the year. The community also provides holidays for visiting SCJ priests and brothers throughout the year as well as being a residence for elderly members. A community service programme is run in the grounds of the house providing offenders with opportunities for learning while they perform the tasks assigned by the courts.

The community at Inchicore Road, Dublin, Ireland, welcomes individuals and groups for personal development and spiritual growth including young adults who belong to the 2030 group. This house is the main formation community and welcomes new candidates to the Congregation. As the centre of formation it also welcomes students from the Congregation who come from abroad to study at St Patrick's College, Maynooth, and various Recognised Language Schools in Dublin. In the current period students came from Brazil, Vietnam, Cameroon and Indonesia. Younger students are those preparing for priesthood and religious life in the Congregation. A specific formation programme is provided for them and they are accompanied by senior members. There are also priests doing postgraduate studies to prepare to teach in Universities or be involved in specific projects in their home country. Study fees have decreased in this period to £15,008 (2020 £17,884) because some members spent less time at the language schools. This figure continues to change annually depending on the number of students coming from abroad and the types of courses taken. The community at Inchicore Road also cares for a group of older members who are retired from active ministry.

The Province is welcoming, open and outward looking welcoming for study or sabbatical. It is intended that members who avail of this opportunity will have a positive experience of life and ministry in the United Kingdom and Ireland.

Nursing home fees decreased during the period. This is due to the age profile and care needs of individual members. When the community is unable to provide the level of care needed the individual has to become resident in a nursing home. Depending on the needs of the individual, this can be on a permanent or temporary basis. This figure is constantly under review.

The Trust supports members of the Sacred Heart Fathers who work in some of the poorest parts of Europe, e.g. Moldova / Transdniester and across the world in the Philippines and Cameroon. The fund for Moldova was set up after the visit of the Provincial to the area some years ago - and is a response to the extreme poverty of people there. The fund is used to help the Congregation develop its spiritual and social mission in Moldova - providing material aid and also helping to support the pastoral work of the Congregation in Moldova. Over the coming years funds will be sent to Moldova through the bursars office in international headquarters of the Sacred Heart Fathers in Rome. The funds will be used to alleviate poverty, give support to local communities, providing adult and youth formation, and provide part contribution towards the building of pastoral centre and churches, local medical centres and so on. The project is part of contribution of the Congregation to the overall mission of the Church in Moldova.

With regard to the Book Fund - there has been no movement since June 2018. This was due to the death of Fr Owen Wynne who was responsible for producing material including books and booklets on the spirituality of the Congregation. The task has now been reassigned and the fund will be reviewed as part of the overall review of promotion material methods.

## Sacred Heart Fathers Trust

### Report of the Trustees for the Year Ended 30 June 2021

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There was a decrease in Donations and Legacies received, due mainly to the decrease in the amounts received for Education and Training, which fell by approximately £30,500.

Each community uses volunteers in various capacities. The roles include administration, leading groups, caring for the sick, elderly and disabled (including some volunteer retired nurses), housekeeping and cleaning. Whilst the volunteers' work is greatly appreciated it is not appropriate to place an economic value on it and it is therefore not included in the Statement of Financial Activities.

Travel costs for the year amounted to £9,365 compared with £28,351 in the previous year. Decrease expected due to travel restrictions. The new schedule and programme was implemented. Part of the role of the Provincial is to visit and liaise with the other Provinces in the Congregation with regard to international collaboration and the exchange of personnel. This cost for meetings and developing international collaboration will increase as the new central programme is developed.

Like all Religious Orders in Europe the Congregation has seen a decline in membership in recent years - mainly due to the death of elderly members. However, priests and brothers from other parts of the Order have come to live and minister here on a permanent or extended basis (always in compliance with visa regulations when required). Exchange of personnel is always under review and all must comply with safeguarding procedures.

The Order will continue to look for new ways of fund raising during the year and seek to attract new donors. It will also continue to develop our promotions resources and material. It will continue to develop links with other regions of the congregation to foster the exchange of personnel. It will also continue to support the education of future priests and brothers for the Order. The Province will continue to build on the work already being and seek new ways to promote and develop the work of the Trust

#### **FINANCIAL REVIEW**

##### **Investment policy and objectives**

The Investment Portfolio is suitably diversified to reduce volatility. The charity's long term time horizon and the key investment risk is inflation. The Trustees wish to target a total return objective of inflation plus 4% over the long term and selected the Charity Multi-Asset Fund in order to achieve this. The trustees would also like a regular, sustainable income from their investments and have chosen to invest in the distribution units which target a 4% distribution per annum. The charity is able to tolerate volatility of capital value in line with the pursuit of the long term investment objective, the preservation of the real capital value. There are no anticipated capital cash flow needs and the Charity has the capacity to absorb short term losses without prejudicing the long term sustainability.

## FINANCIAL REVIEW

### Reserves policy

The total charity funds have increased from £11.30m to £12.0m during the year. Included within the total funds are restricted funds of £0.20m (2020 - £0.20m). Free reserves are defined as unrestricted reserves represented by the total of current assets less creditors. The free reserves at 30 June 2021 were £2.80m (2020 - £2.80m).

Tangible assets for use are excluded on the grounds that they are used operationally and their disposal may adversely impact on the charity's ability to deliver its aims.

The Pension Augmentation fund represented by £6.9m investments is also excluded on the grounds that the charity is obliged to seek a return on capital to contribute towards the ongoing personal upkeep and costs of elderly and retired priests.

The charity's reserves policy recognises the requirement to maintain a level of free reserves that provides the following to support its various charitable activities:

#### Working Capital

Funding of capital projects that maintain, improve and develop the charity's portfolio of buildings and activities.

Available funds that might be required in the event of emergencies and unforeseen events.

Between 5 and 7 years running expenses at a level of approximately £400,000 are a guide for these purposes. On this basis actual free reserves need to be between £2m and £2.8m

As well as managing free reserves the charity monitors cash flows carefully to ensure that sufficient funds are available to meet ongoing operating and capital requirements. At the end of the year unrestricted cash at bank was £2.84m (2020 - £2.83m)

The trustees review and monitor reserves on an annual basis and where they identify reserves rise or fall significantly above or below their target, they consider if corrective action is necessary.

The Provincial Bursar reports regularly to the Trustees and receives financial reports bi-annually from all the communities which are then reviewed.

### Cash Reserves and Investments

From the balance sheet on page eleven of this report it can be seen that there was an increase in the value of the trust from £11,318,601 to £11,996,895.

Cash held in bank accounts and in hand has marginally increased from £3,028,446 to £3,040,175.

The land at Redbourne in Hertfordshire remains let out as farm land. We renegotiated the rent a few years ago but we continue to look into ways that this resource can improve its return for the trust.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Structure**

The Congregation of the Priests of the Sacred Heart (SCJ) was founded in France, in 1878. In Great Britain and Ireland the Congregation is known as the Sacred Heart Fathers. In other parts of the world its members are known as the Dehonians in reference to the Founder, Fr. Leo John Dehon. The Sacred Heart Fathers is a Religious Congregation of men within the Roman Catholic Church. It is an international Religious Congregation of over 2300 priests and brothers living and working in 42 countries in five continents. The Congregation is divided into Provinces, Regions and Districts. The Great Britain - Ireland Province comprises England, Scotland and Ireland. The Congregation first came to England in 1936, to Scotland in 1970 and to Ireland in 1978. Within Great Britain and Ireland (the GBI Province) it operates as a charitable trust with a single governing body, namely the Provincial Council, which manages the group according to the trust deed of the Charity and the Canon law of the Church. The Provincial Council are the trustees of the charity together with the bursar.

There are regular meetings of the Provincial Council throughout the year. Financial matters are discussed by a finance committee and by the trustees at designated meetings. The Sacred Heart Fathers operate in accordance with their Constitutions and also the Provincial Directory of September 2014.

### **Risk Management**

The trustees accept their responsibility to carry out and to respond to a regular review of the risks to which the Charity is exposed. By means of audits and expert guidance they seek to ensure that appropriate financial controls are in place to provide reasonable assurance against error and fraud. Management recommendations arising from the annual audit are fully discussed at a finance meeting of the trustees and whenever changes are required to be made these are implemented as fully and quickly as possible.

### **Public Benefit**

The trustees acknowledge the Charity Commission's guidance on Public Benefit and have taken this into account when reviewing and planning their activities. In their planning for 2020 - 2021 they considered in particular, how best to use the resources of the Charity in respect of the duty of care owed to the older members. They also approved the development of the community house in Inchicore Dublin to provide better facilities for students and the community resident there.

### **On-Going Training / Professional Development**

New trustees are given induction and training as appropriate and have been provided with relevant material. (CC3, & CC35, from the Charity Commission for England and Wales)

The bursar attends courses and conferences designed to keep him up-to-date with best practice in Britain and Ireland.

He has professional assistance from a firm of chartered accountants with understanding of the Charity sector. The bursar is a member of the Association of Province Bursars (APB) and participates in professional development programmes nationally and internationally.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Charity number**

215011

### **Principal address**

St John's  
266 Wellington Road North  
Stockport  
Cheshire  
SK42QR

### **Trustees**

Reverend H Hanley SCJ  
Reverend J Kelly SCJ  
Reverend J Matthews SCJ  
Reverend R Mann SCJ  
Reverend P Murphy SCJ

**Sacred Heart Fathers Trust**

**Report of the Trustees  
for the Year Ended 30 June 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

**Principal Solicitors**

Royds RDW  
2 Crane Court  
Fleet Street  
London  
EC4A 2BL

**Principal Bank**

Allied Irish Bank (GB)  
1 St Paul's Square  
Old Hall Street  
Liverpool  
L3 9PP

**Registered in Scotland**

SC 041571

**Registered in Ireland**

CHY7096

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with law applicable to charities operating in England and Wales, and in Scotland, namely the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the 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.

Approved by order of the board of trustees on 4 November 2022 and signed on its behalf by:

John Kelly SCJ  
Reverend J Kelly SCJ - Trustee

### **Opinion**

We have audited the financial statements of Sacred Heart Fathers Trust (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Report of the Independent Auditors to the Trustees of Sacred Heart Fathers Trust

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### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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: the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.

- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.

- We assessed the susceptibility of the Charity's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:

- identifying the controls that management has in place to prevent and detect fraud;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements 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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of  
Sacred Heart Fathers Trust**

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**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 auditors' 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.



SB&P  
Chartered Accountants & Statutory Auditors  
Oriel House  
2/8 Oriel Road  
Bootle  
Merseyside  
L20 7EP

Date: .....18/11/2022.....

Sacred Heart Fathers Trust

Statement of Financial Activities  
for the Year Ended 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	30.6.21 Total funds £	30.6.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	69,449	827	70,276	84,835
<b>Charitable activities</b>					
General		133,541	-	133,541	118,165
Other trading activities	3	-	770	770	2,821
Investment income	4	267,754	747	268,501	277,935
<b>Total</b>		<b>470,744</b>	<b>2,344</b>	<b>473,088</b>	<b>483,756</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	18,901	-	18,901	18,928
<b>Charitable activities</b>					
General	7	499,038	49	499,087	579,405
<b>Total</b>		<b>517,939</b>	<b>49</b>	<b>517,988</b>	<b>598,333</b>
Net gains/(losses) on investments		723,194	-	723,194	(165,565)
<b>NET INCOME/(EXPENDITURE)</b>		<b>675,999</b>	<b>2,295</b>	<b>678,294</b>	<b>(280,142)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		11,116,179	202,422	11,318,601	11,598,743
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,792,178</b>	<b>204,717</b>	<b>11,996,895</b>	<b>11,318,601</b>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Balance Sheet  
30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	30.6.21 Total funds £	30.6.20 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	2,042,249	-	2,042,249	2,086,121
<b>Investments</b>					
Investments	12	6,907,407	-	6,907,407	6,184,213
Investment property	13	50,000	-	50,000	50,000
		<u>8,999,656</u>	<u>-</u>	<u>8,999,656</u>	<u>8,320,334</u>
<b>CURRENT ASSETS</b>					
Debtors	14	71	-	71	71
Cash at bank and in hand		2,835,459	204,716	3,040,175	3,028,446
		<u>2,835,530</u>	<u>204,716</u>	<u>3,040,246</u>	<u>3,028,517</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(43,008)	1	(43,007)	(30,250)
		<u>2,792,522</u>	<u>204,717</u>	<u>2,997,239</u>	<u>2,998,267</u>
<b>NET CURRENT ASSETS</b>					
		<u>11,792,178</u>	<u>204,717</u>	<u>11,996,895</u>	<u>11,318,601</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>11,792,178</u>	<u>204,717</u>	<u>11,996,895</u>	<u>11,318,601</u>
<b>NET ASSETS</b>					
		<u>11,792,178</u>	<u>204,717</u>	<u>11,996,895</u>	<u>11,318,601</u>
<b>FUNDS</b>					
Unrestricted funds	17			11,792,178	11,116,179
Restricted funds				204,717	202,422
<b>TOTAL FUNDS</b>					
				<u>11,996,895</u>	<u>11,318,601</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 4 November 2021 and were signed on its behalf by:

  
J Kelly SCJ - Trustee

The notes form part of these financial statements

Sacred Heart Fathers Trust

Cash Flow Statement  
for the Year Ended 30 June 2021

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	Notes	30.6.21 £	30.6.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(238,180)</u>	<u>(340,016)</u>
Net cash used in operating activities		<u>(238,180)</u>	<u>(340,016)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(17,017)	-
Interest received		1,346	8,230
Dividends received		<u>265,580</u>	<u>268,129</u>
Net cash provided by investing activities		<u>249,909</u>	<u>276,359</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>11,729</u>	<u>(63,657)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>3,028,446</u>	<u>3,092,103</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>3,040,175</u></u>	<u><u>3,028,446</u></u>

The notes form part of these financial statements

Sacred Heart Fathers Trust

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2021

<b>1.</b>	<b>RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>30.6.21</b>	<b>30.6.20</b>
		£	£
	<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>678,294</b>	<b>(280,142)</b>
	<b>Adjustments for:</b>		
	Depreciation charges	60,886	56,753
	(Gain)/losses on investments	(723,194)	165,565
	Loss on disposal of fixed assets	3	81
	Interest received	(1,346)	(8,230)
	Dividends received	(265,580)	(268,129)
	Decrease in debtors	-	3,146
	Increase/(decrease) in creditors	12,757	(9,060)
	<b>Net cash used in operations</b>	<b>(238,180)</b>	<b>(340,016)</b>

<b>2.</b>	<b>ANALYSIS OF CHANGES IN NET FUNDS</b>		
		At 1.7.20	Cash flow
		£	£
	<b>Net cash</b>		<b>At 30.6.21</b>
	Cash at bank and in hand	3,028,446	11,729
		<u>3,028,446</u>	<u>11,729</u>
		<u>3,028,446</u>	<u>11,729</u>
	<b>Total</b>	<u>3,028,446</u>	<u>11,729</u>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Support costs

Costs which, while necessary to deliver an activity, do not themselves produce the activity. They include the central office functions of the charity and are often apportioned to activities. The amount shown here is the total amount of support costs (for charitable, fundraising and governance activities) included in resources expended. They are apportioned at the following percentages.

Governance costs	- 100%
Premises costs	- 10%
Communication costs	- 50%
Travel	- 25%
Personnel	- 10%
Financial	- 25%

### Governance costs

Expenditure on the governance costs of the charity includes expenditure that relates specifically to the strategic and future development of the charity.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment and furniture	- 5% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

### Investment property

The investment property has been valued at £50,000 by the board of trustees.

### Taxation

The charity is exempt from tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The trustees operate each community and project of the charity as a separate designated fund.

1. ACCOUNTING POLICIES - continued

**Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fund transfers occur biannually in the charity to reallocate financial resources between the designated funds and the general fund of the charity. Funds raised or donations authorised by the trustees, for the restricted activities are also transferred.

**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 rate of exchange ruling at the date of transaction

**Investments**

Investments are included in the financial statements at the year end market value. Income from investments, bank and other deposits are included on an accruals basis.

2. DONATIONS AND LEGACIES

	30.6.21	30.6.20
	£	£
Donations	17,378	9,859
Mass stipends	32,571	22,180
Stole fees	1,407	923
Collections for clergy	-	2,417
Education and training	18,920	49,456
	<u>70,276</u>	<u>84,835</u>

3. OTHER TRADING ACTIVITIES

	30.6.21	30.6.20
	£	£
Fundraising events	770	2,821
	<u>770</u>	<u>2,821</u>

4. INVESTMENT INCOME

	30.6.21	30.6.20
	£	£
Rents received	1,575	1,576
Dividend income	265,580	268,129
Deposit account interest	1,346	8,230
	<u>268,501</u>	<u>277,935</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021**5. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	30.6.21 £	30.6.20 £
Contributions from members	General	99,041	118,165
Grants	General	34,500	-
		<u>133,541</u>	<u>118,165</u>

Grants received, included in the above, are as follows:

	30.6.21 £	30.6.20 £
Covid support grants	<u>34,500</u>	<u>-</u>

**6. RAISING FUNDS****Investment management costs**

	30.6.21 £	30.6.20 £
Portfolio management	<u>18,901</u>	<u>18,928</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 8) £	Totals £
General	<u>420,481</u>	<u>78,606</u>	<u>499,087</u>

**8. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
General	<u>32,765</u>	<u>1,239</u>	<u>44,602</u>	<u>78,606</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

10. STAFF COSTS

	30.6.21	30.6.20
	£	£
Wages and salaries	41,948	45,399
Social security costs	4,686	5,071
	<u>46,634</u>	<u>50,470</u>

The average monthly number of employees during the year was as follows:

	30.6.21	30.6.20
Charitable Activities	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment and furniture £
<b>COST</b>			
At 1 July 2020	1,366,046	1,143,576	191,097
Additions	-	-	-
Disposals	-	-	-
At 30 June 2021	<u>1,366,046</u>	<u>1,143,576</u>	<u>191,097</u>
<b>DEPRECIATION</b>			
At 1 July 2020	434,585	192,665	10,523
Charge for year	27,321	22,874	630
Eliminated on disposal	-	-	-
At 30 June 2021	<u>461,906</u>	<u>215,539</u>	<u>11,153</u>
<b>NET BOOK VALUE</b>			
At 30 June 2021	<u>904,140</u>	<u>928,037</u>	<u>179,944</u>
At 30 June 2020	<u>931,461</u>	<u>950,911</u>	<u>180,574</u>

## 11. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2020	13,600	79,945	3,181	2,797,445
Additions	-	17,017	-	17,017
Disposals	-	(8,001)	-	(8,001)
At 30 June 2021	<u>13,600</u>	<u>88,961</u>	<u>3,181</u>	<u>2,806,461</u>
<b>DEPRECIATION</b>				
At 1 July 2020	3,064	68,051	2,436	711,324
Charge for year	527	9,347	187	60,886
Eliminated on disposal	-	(7,998)	-	(7,998)
At 30 June 2021	<u>3,591</u>	<u>69,400</u>	<u>2,623</u>	<u>764,212</u>
<b>NET BOOK VALUE</b>				
At 30 June 2021	<u>10,009</u>	<u>19,561</u>	<u>558</u>	<u>2,042,249</u>
At 30 June 2020	<u>10,536</u>	<u>11,894</u>	<u>745</u>	<u>2,086,121</u>

Included in Equipment and furniture are paintings and works of art that were gifted to the charity in 2002. These assets are believed to have residual values not materially different to the carrying values and are therefore not depreciated. These assets were independently valued in March 2002 with a value of £168,000. The replacement value for insurance purposes at September 2014 was approximately £296,000.

At 30 June 2021 Smithstone House in Kilwinning Scotland, is disclosed at a carrying value of £280,837 including improvement costs of £271,690, in the opinion of the trustees this has an approximate market value of £750,000. The market value of all other freehold property is not considered to be materially different from the carrying values.

## 12. FIXED ASSET INVESTMENTS

	UK quoted fixed interest £	Other listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 July 2020	6,160,945	23,268	6,184,213
Revaluations	719,393	3,801	723,194
At 30 June 2021	<u>6,880,338</u>	<u>27,069</u>	<u>6,907,407</u>
<b>NET BOOK VALUE</b>			
At 30 June 2021	<u>6,880,338</u>	<u>27,069</u>	<u>6,907,407</u>
At 30 June 2020	<u>6,160,945</u>	<u>23,268</u>	<u>6,184,213</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

## 12. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 June 2021 is represented by:

	UK quoted fixed interest £	Other listed investments £	Totals £
Valuation in 2021	6,160,945	23,268	6,184,213
Valuation in 2022	719,393	3,801	723,194
	<u>6,880,338</u>	<u>27,069</u>	<u>6,907,407</u>

## 13. INVESTMENT PROPERTY

	30.06.19 £	30.06.18 £
Agricultural land - Redbourne, Hertfordshire	<u>50,000</u>	<u>50,000</u>

## 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21 £	30.6.20 £
Other debtors	<u>71</u>	<u>71</u>

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21 £	30.6.20 £
Other creditors	<u>43,007</u>	<u>30,250</u>

## 16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.21 £	30.6.20 £
Within one year	5,276	7,397
Between one and five years	5,457	10,732
	<u>10,733</u>	<u>18,129</u>

## 17. MOVEMENT IN FUNDS

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
<b>Unrestricted funds</b>				
General fund	4,576,961	88,509	(162,441)	4,503,029
Pension Augmentation	6,151,235	719,393	-	6,870,628
Inchicore, Dublin	246,789	(103,321)	91,241	234,709
Promotions	10	(3)	-	7
St. Joseph's, Stockport	(16,558)	(10,014)	-	(26,572)
Smithstone House	78,127	(5,255)	37,200	110,072
St. John's, Stockport	47,757	(16,139)	34,000	65,618
Ardlea, Dublin	8,451	2,827	-	11,278
Pilgrimage Fund	23,407	2	-	23,409
	<u>11,116,179</u>	<u>675,999</u>	<u>-</u>	<u>11,792,178</u>
<b>Restricted funds</b>				
Moldova fund	187,608	2,295	-	189,903
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>202,422</u>	<u>2,295</u>	<u>-</u>	<u>204,717</u>
<b>TOTAL FUNDS</b>	<u>11,318,601</u>	<u>678,294</u>	<u>-</u>	<u>11,996,895</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	268,956	(184,248)	3,801	88,509
Pension Augmentation	-	-	719,393	719,393
Inchicore, Dublin	36,272	(139,593)	-	(103,321)
Promotions	(1)	(2)	-	(3)
St. Joseph's, Stockport	22,597	(32,611)	-	(10,014)
Smithstone House	48,246	(53,501)	-	(5,255)
St. John's, Stockport	24,530	(40,669)	-	(16,139)
Ardlea, Dublin	70,142	(67,315)	-	2,827
Pilgrimage Fund	2	-	-	2
	<u>470,744</u>	<u>(517,939)</u>	<u>723,194</u>	<u>675,999</u>
<b>Restricted funds</b>				
Moldova fund	2,344	(49)	-	2,295
	<u>473,088</u>	<u>(517,988)</u>	<u>723,194</u>	<u>678,294</u>

## 17. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1.7.19 £	Net movement in funds £	Transfers between funds £	At 30.6.20 £
<b>Unrestricted funds</b>				
General fund	4,676,470	84,860	(184,369)	4,576,961
Pension Augmentation	6,317,602	(166,367)	-	6,151,235
Inchicore, Dublin	261,971	(103,471)	88,289	246,789
Promotions	17,558	317	(17,865)	10
St. Joseph's, Stockport	2,317	(18,875)	-	(16,558)
Smithstone House	59,096	(53,049)	72,080	78,127
St. John's, Stockport	27,141	(21,249)	41,865	47,757
Ardlea, Dublin	14,380	(5,929)	-	8,451
Pilgrimage Fund	23,304	103	-	23,407
	<u>11,399,839</u>	<u>(283,660)</u>	<u>-</u>	<u>11,116,179</u>
<b>Restricted funds</b>				
Moldova fund	184,090	3,518	-	187,608
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>198,904</u>	<u>3,518</u>	<u>-</u>	<u>202,422</u>
<b>TOTAL FUNDS</b>	<u>11,598,743</u>	<u>(280,142)</u>	<u>-</u>	<u>11,318,601</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	277,976	(193,919)	803	84,860
Pension Augmentation	1	-	(166,368)	(166,367)
Inchicore, Dublin	64,029	(167,500)	-	(103,471)
Promotions	320	(3)	-	317
St. Joseph's, Stockport	23,038	(41,913)	-	(18,875)
Smithstone House	17,243	(70,292)	-	(53,049)
St. John's, Stockport	17,002	(38,251)	-	(21,249)
Ardlea, Dublin	80,487	(86,416)	-	(5,929)
Pilgrimage Fund	103	-	-	103
	<u>480,199</u>	<u>(598,294)</u>	<u>(165,565)</u>	<u>(283,660)</u>
<b>Restricted funds</b>				
Moldova fund	3,557	(39)	-	3,518
	<u>483,756</u>	<u>(598,333)</u>	<u>(165,565)</u>	<u>(280,142)</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

## 17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.19 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
<b>Unrestricted funds</b>				
General fund	4,676,470	173,369	(346,810)	4,503,029
Pension Augmentation	6,317,602	553,026	-	6,870,628
Inchicore, Dublin	261,971	(206,792)	179,530	234,709
Promotions	17,558	314	(17,865)	7
St. Joseph's, Stockport	2,317	(28,889)	-	(26,572)
Smithstone House	59,096	(58,304)	109,280	110,072
St. John's, Stockport	27,141	(37,388)	75,865	65,618
Ardlea, Dublin	14,380	(3,102)	-	11,278
Pilgrimage Fund	23,304	105	-	23,409
	<u>11,399,839</u>	<u>392,339</u>	<u>-</u>	<u>11,792,178</u>
<b>Restricted funds</b>				
Moldova fund	184,090	5,813	-	189,903
Fr O Wynne Book Fund	14,814	-	-	14,814
	<u>198,904</u>	<u>5,813</u>	<u>-</u>	<u>204,717</u>
<b>TOTAL FUNDS</b>	<u>11,598,743</u>	<u>398,152</u>	<u>-</u>	<u>11,996,895</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	546,932	(378,167)	4,604	173,369
Pension Augmentation	1	-	553,025	553,026
Inchicore, Dublin	100,301	(307,093)	-	(206,792)
Promotions	319	(5)	-	314
St. Joseph's, Stockport	45,635	(74,524)	-	(28,889)
Smithstone House	65,489	(123,793)	-	(58,304)
St. John's, Stockport	41,532	(78,920)	-	(37,388)
Ardlea, Dublin	150,629	(153,731)	-	(3,102)
Pilgrimage Fund	105	-	-	105
	<u>950,943</u>	<u>(1,116,233)</u>	<u>557,629</u>	<u>392,339</u>
<b>Restricted funds</b>				
Moldova fund	5,901	(88)	-	5,813
<b>TOTAL FUNDS</b>	<u>956,844</u>	<u>(1,116,321)</u>	<u>557,629</u>	<u>398,152</u>

**Transfers between funds**

Transfers between the individual unrestricted designated funds are made at the discretion of the trustees.

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 30 June 2021.

**19. UNRESTRICTED FUNDS**

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objectives.

**20. DESIGNATED FUNDS**

The charity operates a separate designated fund for each of the communities and projects that it operates.

Pension Augmentation

The investment is held to generate incoming resources that contribute towards the financial support of retired priests.

Inchicore, Dublin

This fund represents the income and expenditure relating to the house, which provides residence for students as well as retired priests.

Promotions

The fund represents the income and expenditure that relates to the promotion of the charity.

St Joseph's, Stockport

The fund represents the income and expenditure that relates to the resident priest, who works in the parish, and retired priests.

Smithstone House

The fund represents the income and expenditure relating to Smithstone House, which operates as a house of prayer.

St John's, Stockport

The fund represents the income and expenditure relating to the house that is the residence of the Provincialate as well as older priests and brothers.

Ardlea, Dublin

The fund represents the income and expenditure that relates to the resident priest's who works in the parish.

Pilgrimages fund

The fund represents monies collected that were surplus to expenditure incurred on pilgrimage trips the charity operates. The designated fund will be used to support future pilgrimage costs.

**21. RESTRICTED FUNDS**

Moldova fund

The income received is used to support missionary work in Moldova.

Fr O Wynne Book fund

The income relates to a legacy received towards the printing and promotion of books by Fr O Wynne.