

**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
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP**

Sacred Heart Fathers Trust

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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.

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**

REFERENCE AND ADMINISTRATIVE DETAILS

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

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.

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. This description forms part of our Report of the Independent Auditors.

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

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 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	69,449	827	70,276	84,835
Charitable activities					
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
Total		470,744	2,344	473,088	483,756
EXPENDITURE ON					
Raising funds	6	18,901	-	18,901	18,928
Charitable activities					
General	7	499,038	49	499,087	579,405
Total		517,939	49	517,988	598,333
Net gains/(losses) on investments		723,194	-	723,194	(165,565)
NET INCOME/(EXPENDITURE)		675,999	2,295	678,294	(280,142)
RECONCILIATION OF FUNDS					
Total funds brought forward		11,116,179	202,422	11,318,601	11,598,743
TOTAL FUNDS CARRIED FORWARD		11,792,178	204,717	11,996,895	11,318,601

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 £
FIXED ASSETS					
Tangible assets	11	2,042,249	-	2,042,249	2,086,121
Investments					
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>
CURRENT ASSETS					
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>
CREDITORS					
Amounts falling due within one year	15	(43,008)	1	(43,007)	(30,250)
NET CURRENT ASSETS		<u>2,792,522</u>	<u>204,717</u>	<u>2,997,239</u>	<u>2,998,267</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,792,178</u>	<u>204,717</u>	<u>11,996,895</u>	<u>11,318,601</u>
NET ASSETS		<u>11,792,178</u>	<u>204,717</u>	<u>11,996,895</u>	<u>11,318,601</u>
FUNDS	17				
Unrestricted funds				11,792,178	11,116,179
Restricted funds				204,717	202,422
TOTAL FUNDS				<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**

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

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	30.6.21 £	30.6.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	678,294	(280,142)
Adjustments for:		
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)
Net cash used in operations	<u>(238,180)</u>	<u>(340,016)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.20 £	Cash flow £	At 30.6.21 £
Net cash			
Cash at bank and in hand	3,028,446	11,729	3,040,175
	<u>3,028,446</u>	<u>11,729</u>	<u>3,040,175</u>
Total	<u>3,028,446</u>	<u>11,729</u>	<u>3,040,175</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.

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

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**

		30.6.21 £	30.6.20 £
Contributions from members	Activity 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	34,500	-

6. RAISING FUNDS**Investment management costs**

	30.6.21 £	30.6.20 £
Portfolio management	18,901	18,928

7. CHARITABLE ACTIVITIES COSTS

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

8. SUPPORT COSTS

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

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.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**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
	2	2
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 £
COST			
At 1 July 2020	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 2021	1,366,046	1,143,576	191,097
DEPRECIATION			
At 1 July 2020	434,585	192,665	10,523
Charge for year	27,321	22,874	630
Eliminated on disposal	-	-	-
	<u>461,906</u>	<u>215,539</u>	<u>11,153</u>
At 30 June 2021	461,906	215,539	11,153
NET BOOK VALUE			
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>

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

11. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
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	13,600	88,961	3,181	2,806,461
DEPRECIATION				
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	3,591	69,400	2,623	764,212
NET BOOK VALUE				
At 30 June 2021	10,009	19,561	558	2,042,249
At 30 June 2020	10,536	11,894	745	2,086,121

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 £
MARKET VALUE			
At 1 July 2020	6,160,945	23,268	6,184,213
Revaluations	719,393	3,801	723,194
At 30 June 2021	6,880,338	27,069	6,907,407
NET BOOK VALUE			
At 30 June 2021	6,880,338	27,069	6,907,407
At 30 June 2020	6,160,945	23,268	6,184,213

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	<u>5,457</u>	<u>10,732</u>
	<u>10,733</u>	<u>18,129</u>

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

17. MOVEMENT IN FUNDS

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
Unrestricted funds				
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>
Restricted funds				
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
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>
Restricted funds				
Moldova fund	2,344	(49)	-	2,295
	<u>473,088</u>	<u>(517,988)</u>	<u>723,194</u>	<u>678,294</u>
TOTAL FUNDS	<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 £
Unrestricted funds				
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>
Restricted funds				
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
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>
Restricted funds				
Moldova fund	3,557	(39)	-	3,518
	<u>483,756</u>	<u>(598,333)</u>	<u>(165,565)</u>	<u>(280,142)</u>
TOTAL FUNDS	<u>483,756</u>	<u>(598,333)</u>	<u>(165,565)</u>	<u>(280,142)</u>

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 £
Unrestricted funds				
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>
Restricted funds				
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
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>
Restricted funds				
Moldova fund	5,901	(88)	-	5,813
	<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.