

**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**

**Contents of the Financial Statements  
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

22.11.2024

Date: .....

**Sacred Heart Fathers Trust**

**Statement of Financial Activities  
for the Year Ended 30 June 2022**

	Notes	Unrestricted funds £	Restricted funds £	<b>30.6.22 Total funds £</b>	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>	5				
General		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>	7				
General		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		<u>2,801,024</u>	<u>206,336</u>	<u>3,007,360</u>	<u>3,040,175</u>
		<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)
<b>NET CURRENT ASSETS</b>		<u>2,746,826</u>	<u>206,337</u>	<u>2,953,163</u>	<u>2,997,238</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				
Unrestricted funds				11,230,915	11,792,178
Restricted funds				<u>206,337</u>	<u>204,717</u>
<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**

	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

<b>1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>30.6.22</b>	<b>30.6.21</b>	
	<b>£</b>	<b>£</b>	
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	<b>(559,643)</b>	<b>678,294</b>	
<b>Adjustments for:</b>			
Depreciation charges	<b>60,780</b>	<b>60,886</b>	
Losses/(gain) on investments	<b>454,789</b>	<b>(723,194)</b>	
Loss on disposal of fixed assets	<b>-</b>	<b>3</b>	
Interest received	<b>(2,547)</b>	<b>(1,346)</b>	
Dividends received	<b>(271,970)</b>	<b>(265,580)</b>	
Increase in creditors	<b>11,259</b>	<b>12,758</b>	
<b>Net cash used in operations</b>	<b>(307,332)</b>	<b>(238,179)</b>	
<b>2. ANALYSIS OF CHANGES IN NET FUNDS</b>			
	<b>At 1.7.21</b>	<b>Cash flow</b>	<b>At 30.6.22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	<b>3,040,175</b>	<b>(32,815)</b>	<b>3,007,360</b>
	<b>3,040,175</b>	<b>(32,815)</b>	<b>3,007,360</b>
<b>Total</b>	<b>3,040,175</b>	<b>(32,815)</b>	<b>3,007,360</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.



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**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>	<b>30.6.21</b>
	£	£
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
	<b>112,528</b>	<b>70,276</b>

**3. OTHER TRADING ACTIVITIES**

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

**4. INVESTMENT INCOME**

	<b>30.6.22</b>	<b>30.6.21</b>
	£	£
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
	<b>276,092</b>	<b>268,501</b>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>30.6.22</b>	<b>30.6.21</b>
	Activity	£	£
Contributions from members	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>	<b>30.6.21</b>
	£	£
Covid support grants	-	34,500
	<u>-</u>	<u>34,500</u>

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

	<b>30.6.22</b>	<b>30.6.21</b>
	£	£
Portfolio management	<b>20,555</b>	18,901
	<u><b>20,555</b></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><b>463,192</b></u>	<u><b>124,746</b></u>	<u><b>587,938</b></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><b>35,940</b></u>	<u><b>1,255</b></u>	<u><b>87,551</b></u>	<u><b>124,746</b></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>	<b>30.6.21</b>
	£	£
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>	<b>30.6.21</b>
	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	461,906	215,539	11,153
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	3,591	69,400	2,623	764,212
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	10,009	19,562	558	2,042,250

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)
At 30 June 2022	6,432,874	19,744	6,452,618
<b>NET BOOK VALUE</b>			
At 30 June 2022	6,432,874	19,744	6,452,618
At 30 June 2021	6,880,338	27,069	6,907,407

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)
	6,432,874	19,744	6,452,618

**13. INVESTMENT PROPERTY**

	30.06.19	30.06.18
	£	£
Agricultural land - Redbourne, Hertfordshire	50,000	50,000

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

	30.6.22	30.6.21
	£	£
Other debtors	71	71

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30.6.22</b>	30.6.21
	£	£
Other creditors	<b>54,268</b>	43,008

**16. LEASING AGREEMENTS**

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

**17. 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
	<b>11,792,178</b>	<b>(561,263)</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>206,337</b>
<b>TOTAL FUNDS</b>	<b>11,996,895</b>	<b>(559,643)</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>2,344</u>	<u>(49)</u>	<u>-</u>	<u>2,295</u>
<b>TOTAL FUNDS</b>	<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	(1)	-	271,929	271,928
Inchicore, Dublin	107,666	(271,954)	-	(164,288)
Promotions	-	(4)	-	(4)
St. Joseph's, Stockport	81,029	(73,613)	-	7,416
Smithstone House	56,319	(159,467)	-	(103,148)
St. John's, Stockport	41,744	(91,324)	-	(49,580)
Ardlea, Dublin	141,780	(133,894)	-	7,886
Pilgrimage Fund	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>3,964</u>	<u>(49)</u>	<u>-</u>	<u>3,915</u>
<b>TOTAL FUNDS</b>	<u><u>976,727</u></u>	<u><u>(1,126,481)</u></u>	<u><u>268,405</u></u>	<u><u>118,651</u></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.