

REGISTERED CHARITY NUMBER: 215011

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

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

Sacred Heart Fathers Trust

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for the Year Ended 30 June 2024**

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Sacred Heart Fathers Trust

Report of the Trustees for the Year Ended 30 June 2024

The trustees present their report with the financial statements of the charity for the year ended 30 June 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

This includes:

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

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

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

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

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

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

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

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

Sacred Heart Fathers Trust

Report of the Trustees for the Year Ended 30 June 2024

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

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

Investment policy and objectives

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

Reserves policy

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

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

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

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

Working Capital

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

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

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

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

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

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

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

Cash Reserves and Investments

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

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

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

Sacred Heart Fathers Trust

Report of the Trustees for the Year Ended 30 June 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

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

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

Risk Management

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

Public Benefit

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

On-Going Training / Professional Development

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

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

215011

Principal address

St John's
266 Wellington Road North
Stockport
Cheshire
SK42QR

Sacred Heart Fathers Trust

Report of the Trustees for the Year Ended 30 June 2024

Trustees

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

Auditors

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

Principal Solicitors

Royds RDW
2 Crane Court
Fleet Street
London
EC4A 2BL

Principal Bank

Lloyds Bank
Regent Street
Wrexham
LL11 1SE

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

Registered in Scotland

SC 041571

Registered in Ireland

CHY7096

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sacred Heart Fathers Trust

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

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



.....
Reverend J Kelly SCJ - Trustee

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

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

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

Use of our report

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

SB & P

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

Date: 28/4/25

Sacred Heart Fathers Trust

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

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

The notes form part of these financial statements

Sacred Heart Fathers Trust

**Balance Sheet
30 June 2024**

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

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

John Kelly

J Kelly SCJ - Trustee

The notes form part of these financial statements

Sacred Heart Fathers Trust

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

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

The notes form part of these financial statements

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

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.6.24 £	30.6.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	278,454	(410,858)
Adjustments for:		
Depreciation charges	57,368	59,357
(Gain)/losses on investments	(484,520)	199,502
Profit on disposal of fixed assets	(766)	-
Interest received	(2,422)	(2,025)
Dividends received	(290,143)	(278,873)
Increase in debtors	(288,436)	(130,903)
(Decrease)/increase in creditors	(19,974)	752,472
Net cash (used in)/provided by operations	<u>(750,439)</u>	<u>188,672</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.23 £	Cash flow £	At 30.6.24 £
Net cash			
Cash at bank and in hand	<u>3,468,680</u>	<u>(451,163)</u>	<u>3,017,517</u>
	<u>3,468,680</u>	<u>(451,163)</u>	<u>3,017,517</u>
Total	<u>3,468,680</u>	<u>(451,163)</u>	<u>3,017,517</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Income

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

Expenditure

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

Support costs

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

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

Governance costs

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

Tangible fixed assets

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

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

Investment property

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

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction

Investments

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

2. DONATIONS AND LEGACIES

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

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

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

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

5. INCOME FROM CHARITABLE ACTIVITIES

		30.6.24	30.6.23
	Activity	£	£
Contributions from members	General	<u>115,387</u>	<u>90,967</u>

6. RAISING FUNDS

Investment management costs

	30.6.24	30.6.23
	£	£
Portfolio management	<u>19,466</u>	<u>19,470</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
General	563,959	69,809	633,768
Extraordinary item	-	157,863	157,863
	<u>563,959</u>	<u>227,672</u>	<u>791,631</u>

8. SUPPORT COSTS

	Management	Other	Governance costs	Totals
	£	£	£	£
General	53,785	980	15,044	69,809
Extraordinary item	-	157,863	-	157,863
	<u>53,785</u>	<u>158,843</u>	<u>15,044</u>	<u>227,672</u>

9. OTHER

	30.6.24	30.6.23
	£	£
Support costs	<u>227,672</u>	<u>92,743</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

Sacred Heart Fathers Trust

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

11. STAFF COSTS

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

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

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

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

12. EXTRAORDINARY ITEMS

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

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

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

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

13. TANGIBLE FIXED ASSETS

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

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

13. TANGIBLE FIXED ASSETS - continued

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

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

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

14. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024**14. FIXED ASSET INVESTMENTS - continued**

Cost or valuation at 30 June 2024 is represented by:

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

15. INVESTMENT PROPERTY

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

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

18. LEASING AGREEMENTS

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

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

Sacred Heart Fathers Trust

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

19. MOVEMENT IN FUNDS

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

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

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

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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	281,772	(147,187)	5,782	140,367
Pension Augmentation	-	-	(205,284)	(205,284)
Inchicore, Dublin	14,156	(181,858)	-	(167,702)
Promotions	(1)	(1)	-	(2)
St. Joseph's, Stockport	17,986	(22,736)	-	(4,750)
Smithstone House	8,755	(122,947)	-	(114,192)
St. John's, Stockport	21,941	(82,771)	-	(60,830)
Ardlea, Dublin	56,164	(54,920)	-	1,244
Pilgrimage Fund	291	-	-	291
	401,064	(612,420)	(199,502)	(410,858)
TOTAL FUNDS	401,064	(612,420)	(199,502)	(410,858)

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

19. MOVEMENT IN FUNDS - continued

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

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

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	730,329	(400,475)	94	329,948
Pension Augmentation	-	-	284,924	284,924
Inchicore, Dublin	34,678	(379,325)	-	(344,647)
Promotions	(1)	(2)	-	(3)
St. Joseph's, Stockport	25,134	(28,976)	-	(3,842)
Smithstone House	24,296	(209,136)	-	(184,840)
St. John's, Stockport	77,032	(306,107)	-	(229,075)
Ardlea, Dublin	113,697	(99,496)	-	14,201
Pilgrimage Fund	930	-	-	930
	1,006,095	(1,423,517)	285,018	(132,404)
TOTAL FUNDS	1,006,095	(1,423,517)	285,018	(132,404)

Transfers between funds

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

20. CONTINGENT LIABILITIES

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

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

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

21. RELATED PARTY DISCLOSURES

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

22. UNRESTRICTED FUNDS

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

23. DESIGNATED FUNDS

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

Pension Augmentation

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

Inchicore, Dublin

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

Promotions

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

St Joseph's, Stockport

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

Smithstone House

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

St John's, Stockport

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

Ardlea, Dublin

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

Pilgrimages fund

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

Sacred Heart Fathers Trust

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

24. RESTRICTED FUNDS

Moldova fund

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

Fr O Wynne Book fund

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