

Charity Registration Number: 220594

**Convent of The Sacred
Heart of Jesus**

**Annual Report and Financial
Statements**

Year Ended 31 July 2021

Convent of The Sacred Heart of Jesus

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Convent of The Sacred Heart of Jesus
Charity Reference and Administrative Details

Charity Registration Number	220594
Trustees	Miss J M A Bear, Sister in Charge Miss A Edwards Miss M C B Levasseur
Registered Office	Convent of the Sacred Heart The Priory 85 Old High Street Headington Oxford OX3 9HT
Independent Examiners	Critchleys Audit LLP Beaver House 23 - 38 Hythe Bridge Street Oxford OX1 2EP
Solicitor	Franklins Solicitors Walton House 15 Ock Street Abingdon OX14 5AN
Bankers	HSBC Bank Plc 108 London Road Headington Oxford OX3 9AP
Investment Managers	Smith & Williamson Investment Management 9 Colmore Row Birmingham B3 2BT

Convent of The Sacred Heart of Jesus

Trustees' Annual Report

Structure, governance and management

The Convent of the Sacred Heart of Jesus is the English house of the Congregation of the Sacred Heart (St Aubin).

A Charitable Trust was created to hold and own the assets of the English house. This trust is governed by a Trust Deed dated 28 November 1962, amended by a Scheme dated 20 July 2000, and is registered with the Charity Commission, Charity Registration No. 220594.

The charity now has three trustees, all of whom are members of order of the Sacred Heart (St Aubin). The charity is administered by the Sister in charge of the Priory, who is a trustee (and who reports to the Superior General of the order); she is assisted in this task by the remaining two other trustees. The power of appointing new trustees rests with the Superior General of the order.

The trustees have a Statement of Investment Principles, in addition they review annually the Reserves of the charity and carry out a Risk Assessment.

Objectives and activities

The charity's trust deed states that the trust's principal objectives are the advancement of religious and other charitable work being carried on by the Society as the trustees, with the approval of the Superior, shall from time to time think fit.

In fulfilment of the objectives of the trust it is the policy of the charity to undertake a broad range of charitable activities. The principal areas in which the charity is involved are listed below:

- Education
- Social and pastoral care
- Provision of worship

Achievements and performance

During the year the Convent of the Sacred Heart was active in all the areas listed above, as explained below.

Education

One sister was deputy head of a local catholic primary. She retired in 2010 and now acts as a governor and volunteer. Her State and Teachers pensions are covenanted to the charity.

Social and pastoral care

The sister in England continues to help in a wide range of activities in a local parish. In addition, rooms at the Priory are made available on a non-profit making basis to various outside organisations, mainly other Charities, who provide counselling and remedial services to the general public. The Priory, is also willing to host meetings and discussion groups organised by other religious groups and local neighbourhood organisations.

Provision of worship

The sisters ensure that the Chapel is available to be used for worship by both Roman Catholics and groups from other faiths.

Convent of The Sacred Heart of Jesus

Trustees' Annual Report

Achievements and performance *(continued)*

Student accommodation

Providing accommodation to tenants mainly students attending various colleges in Oxford, this rent is treated as income to the charity. In addition to these students who pay rent to the Convent of the Sacred Heart, accommodation is also provided free of charge to foreign priests who have been sent by their diocese, university, or superiors to study in Oxford.

How our services benefit the public

The charity is able to benefit the public by means of the ways in which its premises are used. In addition to the provision of safe and avoidable accommodation for students attending colleges in Oxford and to priests, religious or secular, from overseas it also opens the Priory premises for worship. Furthermore, the Priory makes rooms available for a number of organisations and individuals to hold meetings and discussion groups. In addition, a local church and Catholic School use the convent grounds on a regular basis for children's activities. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Financial review, investment policy and reserves

The Statement of Financial Activities shows incoming resources decreased by £9,642. This was due to small reductions in dividend income and student rents. Resources expended this year decreased by £48,298, largely because the previous year included costs of renovating a property.

At 31st July 2021 the total funds of the Convent of the Sacred heart were £4.9m. Of this, £2.2m represents fixed assets needed for the work of the charity.

The convent has a discretionary investment management agreement with Smith & Williamson. The trustees meet with the fund managers once a year and ensure that the fund is managed in accordance with their written guidelines and with the religious and ethical principles of the order, which follow those of the Archdiocese of Birmingham. In addition, the trustees have a Statement of Investment Principles.

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

The trustees have reviewed the reserves of the charity. As explained above, reserves of the Convent of the Sacred heart were £4.9m. Of this, £2.2m represents fixed assets needed for the work of the charity. The balance of reserves is intended to provide for the ongoing improvement of the convent buildings and the support of the older members of the order so as to be able to continue the charitable work of the convent as membership ages and reduces in numbers.

Future Plans

The Congregation now has only a few members, all of whom have given their working lives to the charitable activities of the Congregation. The number of new vocations to the order is declining and therefore the average age of the membership of the Congregation is increasing. The charity has a continuing commitment to support its members, many of whom continue to carry out charitable work long past the normal retirement age.

Convent of The Sacred Heart of Jesus

Trustees' Annual Report


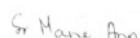
Statement of trustees' responsibilities

The trustees of the charity are required to prepare, for each financial year, accounts which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity and which enable them to ensure that the financial statements comply with statutory requirements and with the Trust Deed dated 28 November 1962. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:

.....
J M A Bear
Trustee

Date:.....21.05.2022

Independent Examiner's Report to the Trustees of The Convent of The Sacred Heart of Jesus

I report to the trustees on my examination of the accounts of The Convent of the Sacred Heart of Jesus (the Trust) for the year ended 31 July 2021 which are set out on pages 6 to 15.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011('the Act').

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Katherine Wilkes FCA
Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 27/5/22

Convent of the Sacred Heart of Jesus
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 July 2021

	Note	Unrestricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:				
Donations and legacies	2	45,372	45,372	45,570
Other trading activities	3	58,672	58,672	63,481
Investments	4	35,830	35,830	40,466
Total income		139,874	139,874	149,516
Expenditure on:				
Raising funds	5	8,115	8,115	7,418
Charitable activities	6	134,385	134,385	183,380
		142,500	142,500	190,798
Net expenditure for the period		(2,626)	(2,626)	(41,282)
Other recognised gains:				
Net gains/(losses) on investments	12	257,140	257,140	(85,600)
Net movement in funds		254,514	254,514	(126,882)
Reconciliation of Funds				
Funds brought forward at 1 August 2020		4,598,270	4,598,270	4,725,151
Funds carried forward at 31 July 2021		4,852,784	4,852,784	4,598,270

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes numbered 1 to 19 form part of these financial statements.

Convent of the Sacred Heart of Jesus
Balance sheet
As at 31 July 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		2,189,600		2,228,961
Investments	12		<u>2,612,843</u>		<u>2,333,466</u>
			4,802,443		4,562,427
Current assets					
Debtors	13	-		-	
Cash at bank and in hand		<u>55,991</u>		<u>41,142</u>	
		55,991		41,142	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(5,650)</u>		<u>(5,300)</u>	
Net current assets			50,341		35,842
Total net assets			<u>4,852,784</u>		<u>4,598,270</u>
Funds:					
Unrestricted funds	15		4,852,784		4,598,270
Total funds			<u>4,852,784</u>		<u>4,598,270</u>

The financial statements were approved by the trustees and authorised for issue on 21.05.2022 and are signed on their behalf by:

J M A Bear
Sr Marie Ann

J M A Bear

The notes numbered 1 to 19 form part of these financial statements.

Convent of the Sacred Heart of Jesus
Notes to the financial statements
For the year ended 31 July 2021

1 Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

General information and basis of Preparation

Convent of the Sacred Heart of Jesus is a charity in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Trading activities

Income from trading activities includes income earned from fundraising events and trading activities such as student rentals to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1 Statement of Accounting Policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds

This includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities

These are costs incurred on the charitable activities, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity. All support costs are directly attributable.

The analysis of these costs is included in note 8.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Motor vehicles	5 years
Freehold buildings	50 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1 Statement of Accounting Policies (continued)

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Investment properties

Investment properties are held at deemed cost on transition to FRS102, being the market value at the last valuation date.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Convent of the Sacred Heart of Jesus
Notes to the financial statements
For the year ended 31 July 2021

2 Income from donations

	Total 2021 £	Total 2020 £
Donations	<u>45,372</u>	<u>45,570</u>
	<u>45,372</u>	<u>45,570</u>

All income from donations in both 2020 and 2021 was unrestricted.

3 Income from other trading activities

	Total 2021 £	Total 2020 £
Student rents	<u>58,672</u>	<u>63,481</u>
	<u>58,672</u>	<u>63,481</u>

All income from other trading activities in both 2020 and 2021 was unrestricted.

4 Income from investments

	Total 2021 £	Total 2020 £
Dividends	14,916	27,977
Interest	7	89
Rental income	<u>20,907</u>	<u>12,400</u>
	<u>35,830</u>	<u>40,466</u>

All income from investments in both 2020 and 2021 was unrestricted.

Convent of the Sacred Heart of Jesus
Notes to the financial statements
For the year ended 31 July 2021

5 Raising funds

	Total 2021 £	Total 2020 £
Investment managers fees	8,115	7,418
	<u>8,115</u>	<u>7,418</u>

All expenditure on raising funds in both 2020 and 2021 was unrestricted.

6 Analysis of expenditure on charitable activities

	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
Charitable activities	52,124	82,261	134,385	183,380
	<u>52,124</u>	<u>82,261</u>	<u>134,385</u>	<u>183,380</u>

7 Direct costs

	Total 2021 £	Total 2020 £
Sisters living costs	2,868	3,816
Housekeeping	6,349	2,721
Chapel	407	1,876
Gifts and donations	2,398	1,991
Community	40,102	40,073
	<u>52,124</u>	<u>50,477</u>

Community includes support for the mother house, care and nursing for elderly and infirm members of the order.

All expenditure on charitable expenditure in both 2020 and 2021 was unrestricted.

Net income/(expenditure) for the period includes:

	2021 £	2020 £
Depreciation	39,361	40,259
Fees payable to independent examiner	5,650	5,720
	<u>5,650</u>	<u>5,720</u>

8 Allocation of support costs

	Total 2021 £	Total 2020 £
Governance	5,650	5,720
Depreciation	39,361	40,259
Building maintenance	25,216	67,946
Heating and lighting	4,195	4,573
Rates, water & insurance	2,115	2,048
Travel expenses	1,523	2,354
Telephone	1,642	1,851
Sundry	2,559	8,152
	<u>82,261</u>	<u>132,904</u>

9 Governance costs

	Total 2021 £	Total 2020 £
Independent examiner's remuneration	5,650	5,720
	<u>5,650</u>	<u>5,720</u>

10 Trustees' and key management personnel remuneration and expenses

As a member of the order, one trustees' living expenses during the year were borne by the charity but the trustees received no remuneration or other benefits in connection with their duties as trustees during the year.

The key management personnel of the charity comprise the trustees. The total amount of employee benefits (excluding the above) received by key management personnel for their services to the charity was £Nil (2020: £Nil)

The trustees did not have any expenses reimbursed during the year (2020: £Nil)

11 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Total £
Cost			
As at 1 August 2020	2,420,000	9,295	2,429,295
Additions	-	-	-
Disposals	-	-	-
As at 31 July 2021	<u>2,420,000</u>	<u>9,295</u>	<u>2,429,295</u>
Depreciation			
As at 1 August 2020	192,000	8,334	200,334
Charges in period	38,400	961	39,361
Eliminated on disposal	-	-	-
As at 31 July 2021	<u>230,400</u>	<u>9,295</u>	<u>239,695</u>
Net book values			
As at 31 July 2021	<u>2,189,600</u>	<u>-</u>	<u>2,189,600</u>
As at 1 August 2020	<u>2,228,000</u>	<u>961</u>	<u>2,228,961</u>

Included in freehold land and buildings is land at a value of £500,000 (2020: £500,000) which is not depreciated.

Freehold land and buildings included above are recognised at deemed cost on transition to FRS102. These assets were last valued at 31 July 2013 by Mr N Morgan MSc FRICS. The historic cost equivalent of these assets is £59,572 in 1972.

The historic cost for freehold land and buildings is not known.

Convent of the Sacred Heart of Jesus
Notes to the financial statements
For the year ended 31 July 2021

12 Fixed asset investments

	Investment Properties	Bank deposits £	Listed investments £	Total £
Cost or valuation				
As at 1 August 2020	1,030,000	64,803	1,238,663	2,333,466
Additions	-	-	276,309	276,309
Disposals	-	(27,531)	(226,541)	(254,072)
Revaluation	-	-	257,140	257,140
As at 31 July 2021	<u>1,030,000</u>	<u>37,272</u>	<u>1,545,571</u>	<u>2,612,843</u>
Carrying amount				
As at 31 July 2021	<u>1,030,000</u>	<u>37,272</u>	<u>1,545,571</u>	<u>2,612,843</u>
As at 1 August 2020	<u>1,030,000</u>	<u>64,803</u>	<u>1,238,663</u>	<u>2,333,466</u>

Investments at fair value comprise:

	2021 £	2020 £
Equities	1,326,609	1,054,222
Securities	218,962	184,441
Investment properties	1,030,000	1,030,000
Cash within investment portfolio	37,272	64,803
	<u>2,612,843</u>	<u>2,333,466</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

No figure for the cost of the investment properties is available. The value at which it was first recognised in the accounts was £45,000 in 1993. This was subsequently revalued to £640,000 in July 2013 and £1,030,000 in August 2018. The valuation was undertaken by Mr N Morgan MSc FRICS on behalf of Langtons.

13 Debtors

There were no debtors at the end the 2021 or 2020 period

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	5,650	5,300
	<u>5,650</u>	<u>5,300</u>

Convent of the Sacred Heart of Jesus
Notes to the financial statements
For the year ended 31 July 2021

15 Funds

	Balance at 1 August 2020 £	Income £	Expenditure £	Gains, losses, and transfers £	Balance at 31 July 2021 £
Unrestricted funds	4,598,270	139,874	(142,500)	257,140	4,852,784
Total funds	4,598,270	139,874	(142,500)	257,140	4,852,784

Comparative funds

	Balance at 1 August 2019 £	Income £	Expenditure £	Gains, losses, and transfers £	Balance at 31 July 2020 £
Unrestricted funds	4,725,151	149,516	(190,798)	(85,600)	4,598,270
Total funds	4,725,151	149,516	(190,798)	(85,600)	4,598,270

16 Analysis of net assets between funds

Fund balances at 31 July 2021 are represented by:

	Unrestricted funds £	Total funds £
Investments	2,612,843	2,612,843
Tangible fixed assets	2,189,600	2,189,600
Current assets	55,991	55,991
Current liabilities	(5,650)	(5,650)
Total net assets	4,852,784	4,852,784

17 Contingent liabilities

There are no contingent liabilities that require disclosure.

18 Related party

There were no related party transactions during 2021 or 2020