

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020
FOR
MISSIONARY SISTERS OF THE SACRED HEART

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

MISSIONARY SISTERS OF THE SACRED HEART

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FOR THE YEAR ENDED 31ST DECEMBER 2020

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MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

The trustees present their report with the financial statements of the charity for the year ended 31st December 2020. 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 activities

The Trustees present the report and financial statements for the Missionary Sisters of the Sacred Heart. The object of the charity is to support the Missionary Sisters of the Sacred Heart in their charitable work.

The Trustees consider that the accounts comply with current statutory requirements, the governing document and the charity statement of recommended practice.

The Missionary Sisters of the Sacred Heart of Jesus congregation was founded in 1880 by St Francesca Xavier Cabrini who was canonised in 1946. She was an Italian who established a school in the first instance in Brockley SE4, but moved to Honor Oak SE23 in 1910 and established the School in Oaklands and Woodville Hall. In 1930 the present School was built and staffed by the Sisters.

The Sisters developed their mission in south east London by establishing 'The Abbey' for retired ladies, 'Border Lodge' and 'Regina Angelorum' (Cabrini House) originally for boarders, then later used as a short stay holiday home for handicapped children. It has since been used for housing refugees.

The Sisters have taken care of refugees at various times, including 200 Basque refugees during the Spanish Civil War. Forty children who fled from the Germans, numerous Polish, Czech and Belgians have all been catered for at Honor Oak.

The Sisters refurbished Woodville Hall for use as their Convent when it became impractical to continue to live in a Convent, which was spread over a number of mezzanine levels within the school. The Sisters partly refurbished Oaklands to provide a separation between the School and the Refugee Hostel.

St Francesca Cabrini School became voluntary aided on 6 November 1953 as a Junior Girls and Infants School. It became a Junior Mixed and Infant School in 1965. The School was incorporated as a Grant Maintained School in 1993 but at the desire of Archbishop Michael Bowen of Southwark the School reverted to voluntary aided status in September 1999. The Sisters continue to be active in the School life. The Sisters are on the School Governing Body and they provide ongoing pastoral care and support. The Sisters are deeply involved in the promotion of Mission Values within the School, reaching out to pupils, staff and parents.

The Sisters carry out support work in the local parish and undertake home visits to the frail and elderly where they are able to offer individual support and assistance. The Sisters provide food from time to time to a number of destitute men.

The Sisters lead a religious instruction group for people from Latin America. They support the Spanish chaplaincy at St George's Cathedral. Hospitality is provided to missionary workers and overseas teachers coming to learn English. The Sisters provide counselling advice to people in the community, particularly from Latin American communities.

The Convent at Honor Oak is used as a base for Sisters each year who come to London to learn English in preparation for work in Missions around the world. The Sisters at Honor Oak are part of the Holy Spirit Province. There are Convents and mission in Ethiopia, Uganda and Eswatini. Many of the Sisters have been on Missionary Work, teaching and nursing, in different parts of the world from as close as Scotland to throughout the Third World.

The majority of the funds of the community are held in a business money manager account.

MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

OBJECTIVES AND ACTIVITIES

Public benefit

From 1 April 2008 section 4 of the Charities Act 2006 requires all charities to meet the legal requirement that it aims are for the public benefit. The Charity Commission in its 'Charities and Public Benefit' guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly there must be an identifiable benefit and secondly the benefit must be to the public or a section of the public.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Commission in determining the activities undertaken by the charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above to achieve those aims, meet these principles.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Bishop Pat Lynch, Auxiliary Bishop Southwark Diocese (responsible to Episcopal Conference for Immigrants) continues to have a keen interest in the well-being of immigrant communities and we continue to work closely with him and his Chaplains to develop areas of pastoral and community support for the everchanging immigrant groups in some of the poorest and most deprived areas of London.

The community in London during 2020 comprised one Sister from South America with reduced visits by other Sisters due to Covid restrictions. Our Sisters continue to work with Latin-American immigrants in St George's Cathedral and with the Brazilian community in Brixton. We give pastoral support and work with catechists preparing them to work with children and preparing young couples for marriage. Working with immigrant communities our Sisters are helping them to achieve residency status and to integrate them into the local community thus helping to lift them out of the poverty trap that isolation can bring.

Our Convent often regularly used by Parish prayer groups, pastoral care for immigrants and members of St Francesca Cabrini Primary School community who often visit for a quiet moment was quieter due to Covid restrictions. We held Zoom meetings with colleagues and friends during 2020.

As Trustees of St Francesca Cabrini Primary School we are involved with the Headteacher in all aspects of Mission Development and help to organise and facilitate Mission Development training days for the staff and Governors of the school. The school draws its children from a variety of immigrant cultures; many of the children are from disadvantaged homes. The Mission permeates through the whole school contributing towards giving the children strong pastoral support with a citizenship focus that directs them towards positive pathways and away from gang culture and crime. We attend all functions and celebrations at the school including weekly Masses and liturgical celebrations. We meet with and regularly have contact with new and existing parents. We are Foundation Governors of the school and take an active part in Mission Development, School Improvement, Buildings and Grounds, Personnel and Finance. We give moral and spiritual support to the Headteacher. We observe the academic and missionary aims and objectives of St Francesca Cabrini Primary School to promote and copy good practice throughout our other institutions worldwide. We provide study books on the life of St Francesca Cabrini for all new children to the school as well as providing teaching aids.

From time to time we receive and facilitate requests from our parish priest for overnight accommodation for Missionary priests.

Commencing in 2004 we continue to provide affordable rental accommodation for keyworkers in Oaklands House. The house has become a stepping-stone for keyworkers who have been able to move on to their own permanent accommodation. We meet/liase on a regular basis with the Management Company.

MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

FINANCIAL REVIEW

Reserves policy

The Trustees seek to maintain adequate unrestricted reserves to enable the smooth day to day operations of the charity. The Trustees seek to maintain free reserves of at least one year's normal expenditure.

The Trustees consider that the assets of the charity are sufficient to meet the charity's obligations on a fund by fund basis.

The Sisters' income comprises rent from Oaklands House, the Sisters' pensions, bank interest and a small number of donations towards our mission work.

Investment powers and policy

Trust moneys may be invested in or upon any investments for the time being authorised by law for the investment of Trust funds.

The Trustees have decided that they wish to avoid risk of capital loss and have therefore invested all investment monies in interest bearing accounts seeking to obtain the best rate of interest available.

Coronavirus impact

The onset of coronavirus, the subsequent lockdowns and the health risks to individual Sisters resulted in many Sisters remaining in Third World missions where they were able to support one another as well as support the subsequent urgent needs in our hospitals, clinics, care homes and schools. A direct impact of the lockdown in London led to St Francesca Cabrini Primary School setting up a food bank for the school community which the Sisters supported with donations.

MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

FUTURE PLANS

The Sisters intend to continue their pastoral work in the local area with immigrant communities, to support St Francesca Cabrini Primary School and to maintain the provision of keyworker accommodation at Oaklands House.

Our London convent is part of the newly created Holy Spirit Region combining London, Ethiopia, Eswatini and Uganda. In 2018 we were approved by the Home Office to Sponsor Licence Applications for our Sisters and volunteers from overseas to come and work in and support the London Community. We will continue to base additional Sisters and volunteers from other parts of the Holy Spirit Region in London as we expand the links between London, Ethiopia, Swaziland and Uganda as we develop the work of the Holy Spirit Region. They will support our work with St Francesca Cabrini Primary School and help us to expand on the work that we are already committed to with immigrants in London in particular supporting them to build strong family, pastoral and community links with a new Brazilian immigrant community in Crystal Palace. We plan to extend the support to immigrant communities by regularly increasing the number of Sisters and volunteers in London. In 2020 started to publish a regular Holy Spirit Region newsletter.

We will continue to work with St Francesca Cabrini Primary School to build links with our bi-lingual College in Madrid and hope that the children and staff of both schools will benefit from close liaison and continue exchange visits. Our Missionary Volunteers who come to London will work with the school during school term time and work in the community at weekends and during school holiday periods.

We intend to provide more support to St Francesca Cabrini Primary School by raising and managing funds that we can donate to the school to support additional enrichment and development of pupils, staff and governors.

We plan to work with St Francesca Cabrini Primary School and look at the possibility of providing accommodation for a specialist teaching unit for children with special educational needs.

We will continue to work closely with our Parish Priest to continue to offer pastoral support and help to needy members of the local community.

Other plans include young Sisters who are currently training in Ethiopia, Brazil, central and south America being based in London to complete their missionary studies, improve their English language skills and work with the permanent members of the community to further develop our missionary work with immigrants.

We will continue to build a closer relationship with our lay collaborators in London by offering them attendance at Regional meetings so that they may see and understand more fully the work of the Missionary Sisters in other parts of the Holy Spirit Region as well as participating in International Financial Administrators meetings to offer the lay administrators supporting the Institute access to a formation program that is global, focused, integrated and ongoing.

During 2019/2020 we researched ethical banking for the London community but were delayed due to Covid restrictions. We are involved in Impact Investing as a worldwide community.

A resolution to re-appoint John Thacker of Chariot House Limited as the Independent Examiner of the Charity will be proposed at the Annual General Meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Missionary Sisters of the Sacred Heart is an unincorporated charity, set up under a Trust Deed dated 12 June 1963. The governing document is the Trust Deed dated 12 June 1963 and a scheme sealed on 6 August 1990.

MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The statutory power of appointing new Trustees and the removal thereof shall be vested in the Superior.

Decisions of the charity are made by the trustees in consultation with the Mother House.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice: Accounting by Charities, 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 the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Risk management

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to manage those risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

230756

Principal address

Sacred Heart Convent
Forest Hill Road
Honour Oak
London
SE23 3LE

Trustees

Sister N B O'Donnell (resigned 31/1/2020)
Sister D D Molle
Sister P Godoy
Sister M P Bennett
Sister H D Beyene (appointed 1/2/2020)

MISSIONARY SISTERS OF THE SACRED HEART

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

John Thacker FCA DChA
Institute of Chartered Accountants in England and Wales
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Bankers

HSBC
47 Rye Lane
Peckham
London
SE15 5ET

Solicitors

Memery Crystal LLP
44 Southampton Buildings
London
WC2A 1AP

Approved by order of the board of trustees on 27th October 2021 and signed on its behalf by:

Sister D D Molle - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MISSIONARY SISTERS OF THE SACRED HEART**

Independent examiner's report to the trustees of Missionary Sisters Of The Sacred Heart

I report to the charity trustees on my examination of the accounts of Missionary Sisters Of The Sacred Heart (the Trust) for the year ended 31st December 2020.

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

John Thacker FCA DChA
Institute of Chartered Accountants in England and Wales
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

28th October 2021

MISSIONARY SISTERS OF THE SACRED HEART**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		8,217	-	8,217	34,099
Charitable activities					
Rent for keyworker accommodation		53,485	-	53,485	42,348
Other trading activities	2	6,790	-	6,790	5,970
Investment income	3	1,395	-	1,395	2,810
Total		69,887	-	69,887	85,227
EXPENDITURE ON					
Charitable activities					
Supporting the work of the Missionary Sisters		77,557	-	77,557	84,661
NET INCOME/(EXPENDITURE)		(7,670)	-	(7,670)	566
RECONCILIATION OF FUNDS					
Total funds brought forward		1,658,015	200	1,658,215	1,657,649
TOTAL FUNDS CARRIED FORWARD		1,650,345	200	1,650,545	1,658,215

The notes form part of these financial statements

MISSIONARY SISTERS OF THE SACRED HEART**BALANCE SHEET**
31ST DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	5	1,223,778	-	1,223,778	1,266,149
CURRENT ASSETS					
Debtors	6	2,285	-	2,285	2,718
Cash at bank		1,148,701	200	1,148,901	1,112,977
		<u>1,150,986</u>	<u>200</u>	<u>1,151,186</u>	<u>1,115,695</u>
CREDITORS					
Amounts falling due within one year	7	(4,249)	-	(4,249)	(3,459)
NET CURRENT ASSETS		<u>1,146,737</u>	<u>200</u>	<u>1,146,937</u>	<u>1,112,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,370,515	200	2,370,715	2,378,385
CREDITORS					
Amounts falling due after more than one year	8	(720,170)	-	(720,170)	(720,170)
NET ASSETS		<u>1,650,345</u>	<u>200</u>	<u>1,650,545</u>	<u>1,658,215</u>
FUNDS	10				
Unrestricted funds				1,650,345	1,658,015
Restricted funds				<u>200</u>	<u>200</u>
TOTAL FUNDS				<u>1,650,545</u>	<u>1,658,215</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27th October 2021 and were signed on its behalf by:

D D Molle - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

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.

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

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

MISSIONARY SISTERS OF THE SACRED HEART

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

2. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Pensions	6,790	5,970
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Investment income	1,395	2,810
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

5. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1st January 2020 and 31st December 2020	2,118,520
	<u> </u>
DEPRECIATION	
At 1st January 2020	852,371
Charge for year	42,371
	<u> </u>
At 31st December 2020	894,742
	<u> </u>
NET BOOK VALUE	
At 31st December 2020	1,223,778
	<u> </u>
At 31st December 2019	1,266,149
	<u> </u>

MISSIONARY SISTERS OF THE SACRED HEART**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST DECEMBER 2020**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Prepayments	2,285	2,718

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	805	99
Accruals and deferred income	3,444	3,360
	4,249	3,459

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Other loans (see note 9)	720,170	720,170

9. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due in more than five years:		
Repayable by instalments:		
Loan from Mother House (Rome)	720,170	720,170

10. MOVEMENT IN FUNDS

	At 1/1/20	Net movement in funds	At 31/12/20
	£	£	£
Unrestricted funds			
General fund	1,658,015	(7,670)	1,650,345
Restricted funds			
Restricted funds (Mother House)	200	-	200
TOTAL FUNDS	1,658,215	(7,670)	1,650,545

MISSIONARY SISTERS OF THE SACRED HEART

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

10. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	69,887	(77,557)	(7,670)
TOTAL FUNDS	<u>69,887</u>	<u>(77,557)</u>	<u>(7,670)</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	1,655,549	2,466	1,658,015
Restricted funds			
The Dubbo Mission	2,100	(1,900)	200
TOTAL FUNDS	<u>1,657,649</u>	<u>566</u>	<u>1,658,215</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	84,027	(81,561)	2,466
Restricted funds			
The Dubbo Mission	1,200	(3,100)	(1,900)
TOTAL FUNDS	<u>85,227</u>	<u>(84,661)</u>	<u>566</u>

The Dubbo is a restricted fund specifically for the mission in Debbo, Ethiopia.

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2020.