

Charity Registration No. 233335

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Reverend Frederick Hughes The Reverend Anthony Madej Brother Andrew Ferris Reverend Wilfred Joseph Reverend Enrico Frigerio	(Appointed 22 February 2021) (Appointed 22 February 2021)
Charity number	233335	
Principal address	The Friary St Bernards Road Olton Solihull B92 7BL	
Contact Address	Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS	
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS	
Bankers	Royal Bank of Scotland Plc 7 Market Street Leigh Lancashire WN7 2EE	
Solicitors	Tyndallwoods Solicitors 29 Woodbourne Road Birmingham B17 8BY	
Investment advisors	BRI Wealth Management Plc BRI House Elm Court Meriden Business Park Meriden CV5 9RL	

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

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CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and accounts for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Congregation's Trust Deed dated 26 November 1964, the Charities Act 2011 and "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

Charitable objectives

The Congregation's objective is to apply capital or income for such charitable purposes which advance the religious and other charitable work for the time being carried on in England and Wales by or under the direction or with the support of the Congregation as the Trustees with the approval of the Vicariate Superior shall from time to time think fit.

Investment Powers

Investment powers are governed by the Trust Deed, which permits funds to be invested within the prevailing Charities legislation. Assets are held to generate investment income for Charitable expenditure, and are held within the Trustees powers.

Policy

Inspired by our faith in the Word of God the Congregation undertake a broad range of Charitable activities. The principle areas in which the Congregation is involved are set out below:

1. Pastoral and social care

The members of the Congregation undertake work in the community and their local parish including, the performance of the church, wedding and funeral services.

Social care includes work with the underprivileged, poor, drug addicts and mentally ill. Providing care and support both spiritual and financial.

2. Health care

Members of the Congregation visit the sick, aged, house bound and dying. Administering to their various needs.

Public benefit compliance

The Congregation confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The Statement of Financial Activities shows that total incoming resources amounted to £302,392 (2019: £356,273), during the year. This includes £82,593 (2019: £117,703) from investment income and £173,640 (2019: £184,849) from donations and legacies.

The movements to fixed assets during the year included the purchase of: fixtures, fittings and equipment of £4,307 (2019: £1,009) and motor vehicles of £nil (2019: £10,631).

At 31 December 2020 the total funds of the Congregation were £4,354,719. Of this £3,561,495, represents investments generating income to finance the work of the Congregation. The investment portfolio is managed by BRI Wealth Management Plc.

Over many years various members of the Congregation have given their working life to the Order. Now in retirement, and losing their tied accommodation, a provision is required to meet their future housing, financial and medical needs. These are to be supported out of the funds invested by the Congregation.

Financial review

The English Vicariate has 12 members who have given most of their working lives to the Charitable activities of the Congregation. Where this work is for organisations independent of the Congregation, any earnings are received by the Charity.

The Congregation has a continuing commitment to support its members by contributing to pension funds now administered by Standard Life and Friends Life. The pension received helps to support members, many of whom continue to carry out charitable work long past the normal retirement age.

Reserves policy

It is the policy of the Congregation that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Congregation's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Note 19 to the financial statements splits the Congregation's reserves between those designated for specific purposes and those available for day to day requirements.

The General reserve fund represents the unrestricted free reserves arising from past operating results. The Trustees are satisfied that the balance of the fund £419,998 is sufficient to enable the Congregation to carry out the objectives of the Charity. These are constantly under review and will be amended accordingly.

Risk Management

The Trustees has assessed the major risks to which the Congregation is exposed, in particular those related to operations and finance of the Congregation, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Congregation of the Priests of the Sacred Heart of Jesus of Betharram is administered by the Vicariate Superior together with three other Trustees.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Congregation is governed by a Trust Deed dated 26 November 1964 and is registered with the Charity Commission, Charity Registration Number 233335.

The Trustees who served during the year are shown below:

The Reverend Frederick Hughes
The Reverend Anthony Madej
Brother Andrew Ferris
Reverend Wilfred Joseph
Reverend Enrico Frigerio

New Trustees are elected by the Board of Trustees from members of the Order and serve until their retirement.

Trustees are nominated by members of the Board of Trustees and appointed where they have the necessary skills to contribute to the Charity's development.

The statutory power to appoint new Trustees or to remove serving Trustees is vested in the Vicariate Superior.

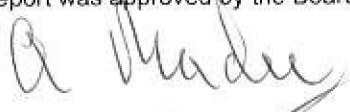
Auditor

A resolution proposing that Kendall Wadley LLP be reappointed as auditors of the charity will be put to the members.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees report was approved by the Board of Trustees.



The Reverend Anthony Madej

Trustee

Dated: 30 September 2021

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The 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 state of affairs of the Congregation and of the incoming resources and application of resources of the Congregation for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Congregation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Congregation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

Opinion

We have audited the financial statements of Congregation of Priests of the Sacred Heart of Jesus of Betharram (the 'Congregation') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 December 2020 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Congregation 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 Congregation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 and for being satisfied that they 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 Congregation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Trustees is obtained and their attitude to risk ascertained
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

Audit response to risks identified

- processes to test the outcomes of our assessment include, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity, in particular safeguarding, is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

- it is established if there have been any instances of non-compliance with applicable laws and regulations, where there are such breaches, a full understanding, including gathering of relevant documentation appertaining to the event is obtained and assessed

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and others and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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.



Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

30 September 2021

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

**CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF
BETHARRAM**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE TRUSTEES OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF
JESUS OF BETHARRAM**

Kendall Wadley LLP is eligible for appointment as auditor of the Congregation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Total 2019 £
Income and endowments from:							
Donations and legacies	3	173,640	-	173,640	184,849	-	184,849
Charitable activities	4	37,300	-	37,300	47,077	-	47,077
Investments	5	82,593	-	82,593	117,703	-	117,703
Other income	6	8,859	-	8,859	6,644	-	6,644
Total income		302,392	-	302,392	356,273	-	356,273
Expenditure on:							
Raising funds	7	32,372	-	32,372	34,431	-	34,431
Charitable activities	8	241,616	-	241,616	375,604	-	375,604
Total resources expended		273,988	-	273,988	410,035	-	410,035
Net gains/(losses) on investments	12	(240,001)	-	(240,001)	354,478	-	354,478
Net (outgoing)/incoming resources before transfers		(211,597)	-	(211,597)	300,716	-	300,716
Gross transfers between funds	13	205,326	(205,326)	-	(235,428)	235,428	-
Net movement in funds		(6,271)	(205,326)	(211,597)	65,288	235,428	300,716
Fund balances at 1 January 2020		426,259	4,140,057	4,566,316	360,971	3,904,629	4,265,600
Fund balances at 31 December 2020		419,988	3,934,731	4,354,719	426,259	4,140,057	4,566,316

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

All income and expenditure derive from continuing activities.

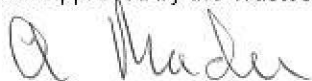
CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14		373,236		388,665
Investments	15		3,561,495		3,751,392
			<u>3,934,731</u>		<u>4,140,057</u>
Current assets					
Debtors	17	5,752		8,032	
Cash at bank and in hand		434,923		436,892	
		<u>440,675</u>		<u>444,924</u>	
Creditors: amounts falling due within one year	18	(20,687)		(18,665)	
Net current assets			419,988		426,259
Total assets less current liabilities			<u>4,354,719</u>		<u>4,566,316</u>
Income funds					
Designated funds			3,934,731		4,140,057
Unrestricted funds - general			419,988		426,259
			<u>4,354,719</u>		<u>4,566,316</u>

The accounts were approved by the Trustees on 30 September 2021



The Reverend Anthony Madej
Trustee

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	22		(30,151)		(151,998)
Investing activities					
Purchase of tangible fixed assets		(4,307)		(11,640)	
Proceeds on disposal of tangible fixed assets		-		256	
Additions and disposals of investments		(50,104)		106,972	
Interest received		82,593		117,703	
Net cash generated from investing activities			28,182		213,291
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,969)		61,293
Cash and cash equivalents at beginning of year			436,892		375,599
Cash and cash equivalents at end of year			434,923		436,892

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Congregation of Priests of the Sacred Heart of Jesus of Betharram is a charity registered in England & Wales, number, 233335. The contact address is Granta Lodge, 71 Graham Road, Malvern Worcestershire, WR14 2JS..

1.1 Accounting convention

The financial statements have been prepared in accordance with the Congregation's [governing document], the Charities Act 2011 and "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)". The Congregation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Congregation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Congregation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Cash donations are recognised on receipt. Other donations are recognised once the Congregation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time the claim is made.

Legacies are recognised on receipt or otherwise if the Congregation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT, which cannot be recovered.

Expenditure relating to charitable activities comprise all expenses that are incurred in the undertaking of the charitable activities of the Congregation.

Governance costs include direct and related support costs relating to the governance infrastructure allowing the Congregation to generate information required for public accountability.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Property improvements	10% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	10% to 25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the statement of financial activities. Transaction costs are expensed as incurred.

The historical cost of investments for the year ended 31 December 2020 is £2,979,727 (2019 - £3,213,791).

1.8 Impairment of fixed assets

At each reporting end date, the Congregation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The Congregation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Congregation's balance sheet when the Congregation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Congregation's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the Congregation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2020	2019
	£	£
Donations and gifts	165,978	184,849
Government funding - Coronavirus Job Retention Scheme	7,662	-
	<u>173,640</u>	<u>184,849</u>
Donations and gifts		
Chaplaincy fees	56,566	57,317
Pensions	75,070	76,162
Other	34,342	51,370
	<u>165,978</u>	<u>184,849</u>

4 Charitable activities

	Mass Stipends £	Supply income and Stole fees £	Christmas and Easter Offerings £	Total 2020 £	Total 2019 £
Charitable activities	<u>11,292</u>	<u>14,751</u>	<u>11,257</u>	<u>37,300</u>	<u>47,077</u>
For the year ended 31 December 2019					
Unrestricted funds - general	<u>11,759</u>	<u>16,747</u>	<u>18,571</u>		<u>47,077</u>

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments

	general 2020 £	general 2019 £
Income from listed investments	82,477	117,459
Interest receivable	116	244
	<u>82,593</u>	<u>117,703</u>

6 Other income

	general 2020 £	general 2019 £
Other income	8,859	6,644
	<u>8,859</u>	<u>6,644</u>

7 Raising funds

	2020 £	2019 £
Investment management fees	<u>32,372</u>	<u>34,431</u>

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	2020 £	2019 £
Staff pension costs	10,715	53,518
Depreciation and impairment	19,736	23,462
Priests expenses	6,483	4,253
Provisions, clothing and laundry	33,811	35,435
Travelling and motor expenses	24,783	42,374
Telephone	3,710	2,292
Stationery, postage and computer consumables	5,789	5,207
Nursing care, chemists, dentist	4,275	2,604
Pilgrimage and retreat expenses	9,770	20,791
Payments to exterior priests	667	2,000
Staff costs - domestic wages	15,619	15,122
Sundries	4,542	9,044
Bank charges	319	408
Holidays	3,885	6,110
Appeal and regional levy	429	762
Insurance	3,258	3,532
Repairs and maintenance	1,618	832
General Council Rome	21,000	21,000
Donations, gifts and charity	4,949	534
Missions	38,000	87,100
	<u>213,358</u>	<u>336,380</u>
Share of governance costs (see note 9)	28,258	39,224
	<u>241,616</u>	<u>375,604</u>
Analysis by fund		
Unrestricted funds - general	241,616	
	<u>241,616</u>	
For the year ended 31 December 2019		
Unrestricted funds - general		375,604
		<u>375,604</u>

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Accountancy	-	17,502	17,502	-	13,855	13,855
Audit	-	2,870	2,870	-	4,140	4,140
Professional fees	-	7,886	7,886	-	21,229	21,229
	-	28,258	28,258	-	39,224	39,224
Analysed between Charitable activities	-	28,258	28,258	-	39,224	39,224

Governance costs includes payments to the auditors of £2,870 (2019- £4,140) for audit fees.

10 Trustees

The Trustees of the Congregation are also members of the Order and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all members of the Order within the English Vicariate. The living costs of the Trustees are therefore borne by the Congregation.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	3	3
Employment costs	2020 £	2019 £
Wages and salaries	15,619	15,122
Other pension costs	10,715	53,518
	26,334	68,640

There were no employees whose annual remuneration was £60,000 or more.

The trustees are deemed to be the key management personnel and as noted above, whilst they receive no remuneration, their living costs are borne by the Congregation, and includes contributions to a pension plan of £10,623 (2019 - £53,442) which are incorporated in the above figures.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Net gains/(losses) on investments

	2020	2019
	£	£
Revaluation of investments	(240,001)	354,478

13 Transfers

During the year £205,326 has been transferred to unrestricted funds from designated funds to maintain the correct level of designated funds.

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Land and buildings	Property improvements	Computer equipment	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2020	585,385	19,560	7,758	41,861	709,701
Additions	-	-	-	4,307	4,307
At 31 December 2020	585,385	19,560	7,758	46,168	714,008
Depreciation and impairment					
At 1 January 2020	228,974	5,223	7,758	39,248	321,036
Depreciation charged in the year	11,476	1,957	-	1,145	19,736
At 31 December 2020	240,450	7,180	7,758	40,393	340,772
Carrying amount					
At 31 December 2020	344,935	12,380	-	5,775	373,236
At 31 December 2019	356,411	14,337	-	2,613	388,665

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2020	3,602,917	148,475	3,751,392
Additions	1,719,030	(1,719,030)	-
Valuation changes and other gains	(244,988)	(32,372)	(277,360)
Accumulated income	-	82,476	82,476
Disposals	(2,017,453)	2,022,440	4,987
	<u>3,059,506</u>	<u>501,989</u>	<u>3,561,495</u>
Carrying amount			
At 31 December 2020	<u>3,059,506</u>	<u>501,989</u>	<u>3,561,495</u>
At 31 December 2019	<u>3,602,917</u>	<u>148,475</u>	<u>3,751,392</u>

16 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>3,059,506</u>	<u>3,602,917</u>

17 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>5,752</u>	<u>8,032</u>

18 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	<u>20,687</u>	<u>18,665</u>

CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Analysis of net assets between funds

	Unrestricted fund	Designated fund	Total	Unrestricted fund	Designated fund	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:						
Tangible assets	-	373,236	373,236	-	388,665	388,665
Investments	-	3,561,495	3,561,495	-	3,751,392	3,751,392
Current assets/(liabilities)	419,988	-	419,988	426,259	-	426,259
	<u>419,988</u>	<u>3,934,731</u>	<u>4,354,719</u>	<u>426,259</u>	<u>4,140,057</u>	<u>4,566,316</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

21 Analysis of changes in net funds

The Congregation had no debt during the year.

22 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(211,597)	300,716
Adjustments for:		
Investment income recognised in statement of financial activities	(82,593)	(117,703)
Fair value gains on investments	240,001	(354,478)
Depreciation and impairment of tangible fixed assets	19,736	23,462
Movements in working capital:		
Decrease/(increase) in debtors	2,280	(3,356)
Increase/(decrease) in creditors	2,022	(639)
Cash absorbed by operations	<u>(30,151)</u>	<u>(151,998)</u>

