

**DAUGHTERS OF DIVINE CHARITY**

**CONVENT OF THE SACRED HEART  
SWAFFHAM**

**TRUSTEES' REPORT  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED  
31ST DECEMBER 2021**

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## CONTENTS

| <b>Page Number</b> | <b>Details</b>                                 |
|--------------------|--|
| <b>1 - 6</b>       | Trustees Report                                |
| <b>7</b>           | Independent Auditors Report                    |
| <b>8</b>           | Consolidated Statement of Financial Activities |
| <b>9</b>           | Consolidated and Charity Balance Sheet         |
| <b>10</b>          | Consolidated Statement of Cash Flows           |
| <b>11- 21</b>      | Notes to the Financial Statements              |

## DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Maria Cirko (Sr M Jacinta)<br>Annie Maguire (Sr M Catherine) (Until 20 July 2022)<br>Kathleen Muriel Prentice (Sr M Thomas More)<br>Diana Judith Ridler (Sr M Francis) |
| <b>Head Office</b>                 | St Therasas Convent<br>27 Sandringham Road<br>Hunstanton<br>Norfolk<br>PE36 5DP  |
| <b>Provincial Superior</b>         | Danuta Wloczka   |
| <b>Financial Adviser</b>           | Mr E J Howard  |
| <b>Charity Registration Number</b> | 237760   |
| <b>Independent Examiner</b>        | Helena Wilkinson FCA DChA<br>Price Bailey LLP<br>Anglia House, 6 Central Avenue<br>St Andrews Business Park<br>Thorpe St Andrew<br>Norwich NR7 0HR                     |
| <b>Solicitors</b>                  | Ward Gethin Archer<br>8-12 Tuesday Market Place<br>King's Lynn<br>Norfolk<br>PE30 1JT  |
| <b>Principal Bankers</b>           | Barclays Bank PLC<br>34 Market Place<br>Dereham<br>Norfolk<br>NR19 2AS   |

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report for the year ended 31 December 2021 under the Charities Act 2011 together with the audited consolidated financial statements of the Charity for the year and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Statement of Recommended Practice - Accounting and Reporting by Charities 2019.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Daughters of Divine Charity is an international religious congregation divided into twelve separate Provinces. The English Province is administered by the Provincial Superior together with a Council consisting of three councillors. The Council is elected by the members of the Province for a term of four years.

Included within The Daughters of Divine Charity are two separate charities: Daughters of Divine Charity, Swaffham, at the Convent of Sacred Heart (referred to in this document as "the Charity"), and Daughters of Divine Charity, Chesterfield, at St Joseph's Convent and Mother Most Admirable, Rochdale. Together these charities constitute the English Province. Given the common control exercised by the trustees over both charities, these financial statements consolidate both entities, and together they are referred to as the "group".

The financial statements accompanying this report are the financial statements of the group on which the assets of the Daughters of Divine Charity Swaffham, and of Daughters of Divine Charity Chesterfield, being part of the English Province, are held. The Convent of the Sacred Heart, Swaffham is governed by a Trust Deed dated 20th August 1964 and is registered with the Charity Commission, Charity Registration No. 237760. St Joseph's Convent Chesterfield is governed by a Trust Deed dated 6th July 1965 and is registered with the Charity Commission, Charity Registration No. 527184.

|                 |  |
|-----------------|--|
| <b>Trustees</b> | Maria Cirko (Sr M Jacinta)<br>Annie Maguire (Sr M Catherine) (Until 20 July 2022)<br>Kathleen Muriel Prentice (Sr M Thomas More)<br>Diana Judith Ridler (Sr M Francis) |
|-----------------|--|

|                       |  |                                   |
|-----------------------|--|-----------------------------------|
| <b>Key Executives</b> | The Provincial Superior<br>Financial Adviser | Sr M Danuta FDC<br>Edwin J Howard |
|-----------------------|--|-----------------------------------|

### STRUCTURE GOVERNANCE AND MANAGEMENT

#### Governing Body

The Charity has four Trustees. The Provincial Superior and three members constitute the Provincial Council. The power of appointing new Trustees rests with the Provincial Superior.

#### Organisational Management

The Provincial Council headed by the Provincial Superior determines the general policy of the group and reviews its overall management and control for which they are legally responsible.

#### Key management and remuneration policies

Key management consists of the Provincial Superior, the elected Councillors and the Financial Adviser. All other teachers were paid in accordance with the school salary scale. Other staff were paid based on market rate. The Sisters do not receive any remuneration for their work at the charity. The Financial Advisor's fees were agreed by the Sister Provincial.

# **DAUGHTERS OF DIVINE CHARITY, SWAFFHAM**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

### **OBJECTIVES AND ACTIVITIES**

Both charities' Trust Deeds state that the Trust's principal objectives are the advancement of and support for the charitable work being carried on by the Congregation, the advancement of religious education or such charitable work as the Trustees think fit in support of the Roman Catholic Religion, with the approval of the Provincial Superior.

#### **Policy**

In fulfilment of the objectives of the Trust it is the policy of the group to undertake a range of charitable activities. The principal areas in which the group is involved are set out below:

##### **1. Education**

The Convent of Sacred Heart Swaffham owns the Freehold Land and Buildings which comprised the Sacred Heart School. The School closed on 31st August 2019 for financial reasons. The school premises have been leased to the Roman Catholic Diocese of East Anglia and education continues on the site as the Sacred Heart Roman Catholic VA School.

St Joseph's Convent Chestfield owns the Freehold Land and Buildings which comprise the St Joseph's Little Scholars Nursery School which it operates as an independent fee paying nursery.

Members of the Congregation work in the School as unpaid teachers and welfare assistants. The English Province relies heavily on Members from Overseas Provinces (e.g. Slovakia) visiting to carry out these functions.

##### **2. Social and Pastoral Care**

The Convent of Sacred Heart Swaffham also owns the Freehold Land and Buildings which comprise St Teresa's Convent, Hunstanton.

Members of the Congregation undertake work within the community and local parish, providing family support and giving religious and material support to those in need.

##### **3. Missions**

The English Province supports the establishment and running of overseas missions by the Congregation.

The objective, the advancement of the Roman Catholic Religion, permeates all the work of the members of the Congregation.

#### **Public Benefit Statement**

The trustees believe they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties.

#### **Achievements and performance**

During the year, the Congregation was active in the field of education thanks to the Nursery at Chesterfield. Pupil numbers for the year totalled 52 compared to 41 last year.

# **DAUGHTERS OF DIVINE CHARITY, SWAFFHAM**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

### **FINANCIAL REVIEW**

Total consolidated income for the year was £409,385 (2020: £380,090), all of which was unrestricted. The consolidated results for the year show net income of £41,155 (2020 : £41,740)

Daughters of Divine Charity Swaffham had income in the year of £160,196, expenditure of £104,785, and net income of £55,411 (see note 2).

Daughters of Divine Charity Chesterfield, which runs the nursery, had income in the year of £249,189, expenditure of £263,445, and net expenditure of £14,256.

### **Risk Assessment**

The Trustees review risks to which the Charity may be exposed. Those applicable to Swaffham site are now minimal as the school is occupied by the Diocese on a 99 year full repairing lease, and the other property at Swaffham has now been sold . The risk at Hunstanton is the lack of residents. For Chesterfield, the risk continues to be a shortage of pupils and/or staff.

### **Investment Performance**

The Group and Charity no longer hold cash in investment accounts. However the group and charity do now hold programme related investments being in the form of property. The programme related investment relates to the school at Swaffham let to the Dioicese.

### **Going Concern**

The Trustees have considered the ability of Daughters of Divine Charity as a Group, including both Swaffham and Chesterfield, to continue as a going concern. The Group has total funds of £3,089,900 at year end, including free reserves of £1,048,468 and cash of £1,086,243. Pupil levels at Chesterfield have returned to normal and residents have remained in the home at Hunstanton.

Given the above, the Trustees consider that the Group and Charity will continue for at least 12 months from the date of approval of these financial statements, and therefore it is appropriate to prepare these on a going concern basis.

## DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### Reserves

At the end of the year the total consolidated funds of the group were £3,089,900 (2020:£3,048,745). Of this sum £867,685 (2020: £1,292,723) represents tangible fixed assets necessary for the charitable activities, £Nil (2020:£315,163) represents investment property and £1,173,747 (2020:£1,173,747) represents programme related investments. The remaining £1,048,468 (2020:£267,562) is considered by the Trustees to reflect the true consolidated 'free reserves' position.

The reserves of Daughters of Divine Charity Swaffham totalled £2,193,961 at 31 December 2021 (2020:£2,138,550), Of this, £1,420,966 (2020: £2,148,109) represents fixed assets, leaving net liabilities of the school of £Nil (2020: £(9,559)). This includes a long term loan balance of £Nil. (2020: £184,788)

The reserves of Daughters of Divine Charity Chesterfield totalled £895,939 at 31 December 2021 (2020:£910,195), Of this, £620,466 (2020:£633,074) represents fixed assets, leaving free reserves of the school of £275,473 (2020:£277,121).

Reserves are held for the following reasons:

1. To provide a sound financial base to support the future activities of the Charity. A target of three months running costs has been set, which equates to £65,861 for the year ended 31 December 2021 in respect of Chesterfield only. The Swaffham school complex has now been leased to the Roman Catholic Diocese and surplus property has been sold.
2. To provide for the future care and support of the older members of the Congregation. The Province currently has twelve members but the average age of the Congregation remains high.

The trustees consider the current level of reserves to be adequate given the above policy. Going concern has been considered and is considered appropriate given the sum of free reserves.

#### Investment powers policy and performance

Under the Order's Trust Deed there are no limitations in the Trustees' powers of investment.

Other investments at 31 December 2021 are programme related investments which is property used by another charitable organisation with similar purposes as Daughters of Divine Charity. This is not considered to add additional risk to the group or charity.

#### FUTURE PLANS

The Trustees will continue to carefully formulate future policies.

The ongoing development of St Joseph's Little Scholars Nursery School will continue to be the main objective of Daughters of Divine Charity, Chesterfield.

## DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual 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 & 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 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;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 24 Oct 2022 and signed as authorised on their behalf by:

*K.M. Prentice*

Sr K M Prentice  
Sr K M Prentice (Oct 24, 2022, 2:11pm)  
Trustee

*D.J. Ridler*

Sr D J Ridler  
Sister Diana Judith Ridler (Oct 24, 2022, 3:00pm)  
Trustee



# **DAUGHTERS OF DIVINE CHARITY, SWAFFHAM**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAUGHTERS OF DIVINE CHARITY, SWAFFHAM**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st December 2021 which are set out on pages 8 to 21.

### **Responsibilities and basis of report**

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

### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

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 charity 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.



Helena Wilkinson FCA DChA

**PRICE BAILEY LLP**  
Chartered Accountants

Anglia House  
6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
NR7 0HR

Date: 26 October 2022

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

| <b>INCOME</b>   |      | <b>2021</b>      | <b>2020</b>      |
|---|------|------------------|------------------|
|   | Note | £                | £                |
| Donations and legacies  | 3    | 34,535           | 135,990          |
| Income from charitable activities   | 4    | 307,416          | 243,820          |
| Investment Income   | 5    | 42               | 280              |
| Other income - profit on sale of fixed assets                               | 8    | 67,392           | -                |
| <b>TOTAL INCOME</b>   |      | <b>409,385</b>   | <b>380,090</b>   |
| <b>EXPENDITURE</b>  |      |                  |                  |
| Expenditure on charitable activities  | 6    | 368,230          | 338,350          |
| <b>TOTAL EXPENDITURE</b>  |      | <b>368,230</b>   | <b>338,350</b>   |
| <b>Net income / (expenditure) for the year,<br/>being movement in funds</b> |      | <b>41,155</b>    | <b>41,740</b>    |
| <b>Reconciliation of funds:</b>   |      |                  |                  |
| Total funds brought forward   |      | 3,048,745        | 3,007,005        |
| <b>Total funds carried forward</b>  |      | <b>3,089,900</b> | <b>3,048,745</b> |

All amounts relate to unrestricted funds and continuing activities of the group.

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 21 form part of these financial statements.

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## CONSOLIDATED AND CHARITY ONLY BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2021

|  | Note | Group<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>£ |
|--|------|--------------------|--------------------|----------------------|----------------------|
| <b>FIXED ASSETS</b>                              |      |                    |                    |                      |                      |
| Tangible Fixed Assets                            | 9    | 867,685            | 1,292,273          | 247,219              | 659,199              |
| Investment Property                              | 10   | -                  | 315,163            | -                    | 315,163              |
| Programme Related Investments                    | 10   | 1,173,747          | 1,173,747          | 1,173,747            | 1,173,747            |
|  |      | <b>2,041,432</b>   | <b>2,781,183</b>   | <b>1,420,966</b>     | <b>2,148,109</b>     |
| <b>CURRENT ASSETS</b>                            |      |                    |                    |                      |                      |
| Debtors & Prepayments                            | 11   | 9,089              | 12,046             | 3,923                | 5,879                |
| Cash at Bank & in Hand                           |      | 1,086,243          | 475,380            | 799,578              | 189,052              |
|  |      | <b>1,095,332</b>   | <b>487,426</b>     | <b>803,501</b>       | <b>194,931</b>       |
| <b>LIABILITIES</b>                               |      |                    |                    |                      |                      |
| Creditors: falling due within 1 year             | 12   | <b>(46,864)</b>    | <b>(35,076)</b>    | <b>(30,506)</b>      | <b>(19,702)</b>      |
| <b>NET CURRENT ASSETS</b>                        |      | <b>1,048,468</b>   | <b>452,350</b>     | <b>772,995</b>       | <b>175,229</b>       |
| <b>LONG TERM LIABILITIES</b>                     |      |                    |                    |                      |                      |
| Loan Account: falling due after more than 1 year | 16   | -                  | <b>(184,788)</b>   | -                    | <b>(184,788)</b>     |
| <b>NET ASSETS</b>                                |      | <b>3,089,900</b>   | <b>3,048,745</b>   | <b>2,193,961</b>     | <b>2,138,550</b>     |
| <b>TOTAL FUNDS (Unrestricted)</b>                |      | <b>3,089,900</b>   | <b>3,048,745</b>   | <b>2,193,961</b>     | <b>2,138,550</b>     |

The financial statements on pages 8 to 21 were approved by the Trustees and authorised for issue on 24 Oct 2022 and are signed on their behalf by:

*K.M. Prentice*

Sister Kathleen Marie Prentice (Oct 24, 2022, 2:11 pm)  
Sr K.M. Prentice  
Trustee

*D J Ridler*

Sister Diana Judith Ridler (Oct 24, 2022, 3:38 pm)  
Sr D J Ridler  
Trustee

The notes on pages 11 to 21 form part of these financial statements.

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

|  | Notes | Group<br>2021<br>£      | Group<br>2020<br>£    |
|--|-------|-------------------------|-----------------------|
| <b>Cash flows from operating activities:</b>               |       |                         |                       |
| Net cash provided by / (used by) operating activities      | 17    | <u>5,256</u>            | <u>77,268</u>         |
| <b>Cash flows from investing activities:</b>               |       |                         |                       |
| Interest and Dividends                                     |       | 42                      | 280                   |
| Dividends reinvested in investments                        |       | -                       | -                     |
| Purchase of Fixed Assets                                   |       | (450)                   |                       |
| Proceeds from Disposal of Fixed Assets                     |       | 790,803                 | 4,358                 |
| <b>Net cash provided by/(used in) investing activities</b> |       | <u><b>790,395</b></u>   | <u><b>4,638</b></u>   |
| <b>Cash flows from financing activities:</b>               |       |                         |                       |
| Daughters of Divine Charity (New York)                     |       | (184,788)               | -                     |
| <b>Net cash provided by/(used in) financing activities</b> |       | <u><b>(184,788)</b></u> | <u><b>-</b></u>       |
| <b>Change in cash and cash equivalents in the year</b>     |       | <u><b>610,863</b></u>   | <u><b>81,906</b></u>  |
| Cash and cash equivalents at the beginning of the year     |       | 475,380                 | 393,474               |
| <b>Cash and cash equivalents at the end of the year</b>    |       | <u><b>1,086,243</b></u> | <u><b>475,380</b></u> |

The notes on pages 11 to 21 form part of these financial statements.

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 1.1 BASIS OF ACCOUNTING

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give us a "true and fair" view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from April 2005 which has since been withdrawn.

Daughters of Divine Charity, Swaffham meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts are presented in Pounds Sterling and are rounded to the nearest Pound.

#### 1.2 GOING CONCERN

The Trustees have considered the ability of Daughters of Divine Charity to continue as a going concern and it has healthy reserves as a group. The parent charity, Daughters of Divine Charity Swaffham, has now closed the school at Swaffham and a Faith School operated by the Roman Catholic Diocese of East Anglia opened in September 2019. Surplus property has been sold. Based on the foregoing, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

#### 1.3 FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Unrestricted funds represent the accumulated surpluses and deficits in the general fund which are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

#### 1.4 GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the Daughters of Divine Charity Swaffham, and its controlled entity Daughters of Divine Chesterfield, on a line-by-line basis.

# **DAUGHTERS OF DIVINE CHARITY, SWAFFHAM**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **1. ACCOUNTING POLICIES (continued)**

#### **1.5 INCOME**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable

Fees receivable are accounted for in the period in which the relevant services are provided. Bursaries or allowances are accounted for separately.

#### **1.6 EXPENDITURE**

Expenditure is recognised on an accruals basis as a liability is incurred. Direct charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Certain central costs which cannot be directly apportioned are allocated between direct charitable expenditure and governance costs on the basis of the Trustees' estimate of the time spent on the relevant functions. Supplies of games equipment, books, stationery and sundry materials are written off to the Statement of Financial Activities as soon as the expenditure is incurred.

Grants are made at the discretion of the Trustees.

Governance costs comprise the costs of running the charity including audit, any legal or professional advice and all costs of complying with constitutional and statutory requirements such as the cost of preparing statutory accounts.

Irrecoverable VAT is included with the category of expense to which it relates.

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed assets are stated at cost less depreciation.

Assets donated for use by the charity are recognised as income when receivable and capitalised at their open market value.

Items costing less than £250 are written off as an expense as acquired.

Depreciation is provided at rates calculated to write off the cost fixed assets, less their estimated residual value, over their expected economic useful lives on the following basis:

|                    |         |                  |
|--------------------|---------|------------------|
| Land               | Nil     |                  |
| Freehold property  | 2%      | straight line    |
| Fixture & fittings | 10%-15% | reducing balance |
| Motor vehicles     | 25%     | reducing balance |

#### 1.8 DEBTORS

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

#### 1.9 CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.10 CREDITORS

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

#### 1.11 PENSIONS

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 17. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity.

#### 1.12 FINANCIAL INSTRUMENTS

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of Daughters of Divine Charity, Swaffham which operates as the Convent of the Sacred Heart.

The summary financial performance of the Charity alone is:

|        |   | 2021<br>£               | 2020<br>£               |
|--------|---|-------------------------|-------------------------|
| Income | Income from donations and legacies                    |                         |                         |
|        | Donations   | 2,857                   | 95,013                  |
|        | Sisters pensions & salary donated                     | 22,821                  | 24,298                  |
|        |   | <u>25,678</u>           | <u>119,311</u>          |
|        | Income from charitable activities                     |                         |                         |
|        | School fees receivable                                | 12,084                  | 8,821                   |
|        | Rent Receivable                                       | 5,885                   | -                       |
|        | Fees Receivable                                       | 22,500                  | -                       |
|        | Retirement home fees receivable                       | 26,640                  | 45,708                  |
|        |   | <u>67,109</u>           | <u>54,529</u>           |
|        | Investment income                                     | 17                      | 86                      |
|        | Other Income - Sale of Fixed Asset                    | 67,392                  | -                       |
|        | Total income  | <u>160,196</u>          | <u>173,926</u>          |
|        | Expenditure on charitable activities                  | (104,785)               | (118,002)               |
|        | <b>Net income/ (expenditure)</b>                      | <u><b>55,411</b></u>    | <u><b>55,924</b></u>    |
|        | Total funds brought forward                           | 2,138,550               | 2,082,626               |
|        | <b>Total funds carried forward (all unrestricted)</b> | <u><b>2,193,961</b></u> | <u><b>2,138,550</b></u> |

### 3 INCOME FROM DONATIONS AND LEGACIES

|                                     | 2021<br>£     | 2020<br>£      |
|-------------------------------------|---------------|----------------|
| Donations                           | 3,387         | 24,676         |
| Legacy donated by the Sisters       | -             | 79,216         |
| Sisters pensions and salary donated | 31,148        | 32,098         |
|                                     | <u>34,535</u> | <u>135,990</u> |

### 4 INCOME FROM CHARITABLE ACTIVITIES

|                                 | 2021<br>£      | 2020<br>£      |
|---------------------------------|----------------|----------------|
| School Fees receivable          | 229,551        | 198,112        |
| Fees Receivable                 | 45,340         | -              |
| Retirement home fees receivable | 26,640         | 45,708         |
| Rent Receivable                 | 5,885          | -              |
|                                 | <u>307,416</u> | <u>243,820</u> |

### 5 INVESTMENT INCOME

|               | 2021<br>£ | 2020<br>£  |
|---------------|-----------|------------|
| Bank interest | <u>42</u> | <u>280</u> |



# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 EXPENDITURE ON CHARITABLE ACTIVITIES

| <b>2021</b>                    |                        |                | Staff<br>Costs<br>£ | Other<br>£     | Depreciation<br>£ | Impairment | <b>2021<br/>Total<br/>£</b> |
|--------------------------------|------------------------|----------------|---------------------|----------------|-------------------|------------|-----------------------------|
| <b>Charitable Activities</b>   |                        |                |                     |                |                   |            |                             |
| School                         | Direct Running Costs   |                | 173,272             | 60,352         | -                 | -          | <b>233,624</b>              |
|                                | Premises and Equipment |                | -                   | 8,157          | 12,263            | -          | <b>20,420</b>               |
|                                | Support Costs          | <b>Note 6a</b> | -                   | 21,891         | 920               | -          | <b>22,811</b>               |
|                                |                        |                | <u>173,272</u>      | <u>90,400</u>  | <u>13,183</u>     | <u>-</u>   | <b>276,855</b>              |
| Home                           | Direct Running Costs   |                | -                   | 17,384         | -                 | -          | <b>17,384</b>               |
|                                | Premises and Equipment |                | -                   | 14,876         | 3,607             | -          | <b>18,483</b>               |
|                                | Support Costs          | <b>Note 6a</b> | -                   | 17,562         | -                 | -          | <b>17,562</b>               |
|                                |                        |                | <u>-</u>            | <u>49,822</u>  | <u>3,607</u>      | <u>-</u>   | <b>53,429</b>               |
| Province and Communities       |                        |                | -                   | 36,943         | -                 | -          | <b>36,943</b>               |
| Missions and Charitable Grants |                        |                | -                   | 1,003          | -                 | -          | <b>1,003</b>                |
|                                |                        |                | <u>-</u>            | <u>37,946</u>  | <u>-</u>          | <u>-</u>   | <b>37,946</b>               |
|                                |                        |                | <u>173,272</u>      | <u>178,168</u> | <u>16,790</u>     | <u>-</u>   | <b>368,230</b>              |
| <b>2020</b>                    |                        |                |                     |                |                   |            |                             |
| <b>Charitable Activities</b>   |                        |                |                     |                |                   |            |                             |
| School                         | Direct Running Costs   |                | 138,867             | 59,894         | -                 | -          | <b>198,761</b>              |
|                                | Premises and Equipment |                | -                   | 10,356         | 23,609            | -          | <b>33,965</b>               |
|                                | Support Costs          | <b>Note 6a</b> | -                   | 19,696         | 1,649             | -          | <b>21,345</b>               |
|                                |                        |                | <u>138,867</u>      | <u>89,946</u>  | <u>25,258</u>     | <u>-</u>   | <b>254,071</b>              |
| Home                           | Direct Running Costs   |                | -                   | 19,579         | -                 | -          | <b>19,579</b>               |
|                                | Premises and Equipment |                | -                   | 34,526         | 3,543             | -          | <b>38,069</b>               |
|                                | Support Costs          | <b>Note 6a</b> | -                   | 4,388          | -                 | -          | <b>4,388</b>                |
|                                |                        |                | <u>-</u>            | <u>58,493</u>  | <u>3,543</u>      | <u>-</u>   | <b>62,036</b>               |
| Province and Communities       |                        |                | -                   | 20,299         | -                 | -          | <b>20,299</b>               |
| Missions and Charitable Grants |                        |                | -                   | 1,944          | -                 | -          | <b>1,944</b>                |
|                                |                        |                | <u>-</u>            | <u>22,243</u>  | <u>-</u>          | <u>-</u>   | <b>22,243</b>               |
|                                |                        |                | <u>138,867</u>      | <u>170,682</u> | <u>28,801</u>     | <u>-</u>   | <b>338,350</b>              |

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

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

### 6A SUPPORT COSTS

|   | 2021          | 2020          |
|---|---------------|---------------|
| Staff costs   | -             | -             |
| Printing post and stationery                              | 132           | 1,532         |
| Telephone   | 2,787         | 4,015         |
| Motor and travel  | 19,669        | 14,218        |
| Legal and professional                                    | 12,960        | 830           |
| Bank Charges  | 288           | 245           |
| Governance costs - audit and independent examination fees | 3,920         | 4,848         |
| Depreciation  | 920           | 1,649         |
| Profit on Disposals                                       | -             | (1,604)       |
| Other   | (302)         | -             |
|   | <u>40,374</u> | <u>25,733</u> |

Support costs are allocated to the relevant activities based on actual time spent by staff.

### 7 STAFF COSTS AND KEY MANAGEMENT PERSONNEL

|                       | 2021<br>£      | 2020<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 168,046        | 136,019        |
| Social security costs | 2,953          | 1,256          |
| Pension costs         | 2,273          | 1,592          |
|                       | <u>173,272</u> | <u>138,867</u> |

The average number of employees in the year was:

|                   | No        | No        |
|-------------------|-----------|-----------|
| School - teachers | 14        | 12        |
| - other           | 2         | 2         |
|                   | <u>16</u> | <u>14</u> |

No employees emoluments exceeded £60,000 during the year (2020: £Nil).

The charity considers that the key management personnel comprise the trustees and the senior management team. As the trustees as Sisters do not receive any remuneration, key management personnel remuneration only includes that of the financial adviser and the nursery manager. The total employee benefits of the key management personnel of the charity were £27,966 (2020: £26,904).

During the year, expenses totalling £5,333 were paid to the four trustees (2020: £7,479 to four trustees) for their living expenses. The trustees received no remuneration or other benefits in connections with their duties as trustees during the current or previous year.

### 8 NET INCOME

|                                       | 2021<br>£ | 2020<br>£  |
|---------------------------------------|-----------|------------|
| Net income is stated after charging:  |           |            |
| Depreciation                          | 16,790    | 17,481     |
| Profit/(Loss) on Sale of Fixed Assets | 67,392    | 1,604      |
| Independent examination fee           | 3,800     | 3,655      |
| Other accountancy costs               | -         | 475        |
|                                       | <u>-</u>  | <u>475</u> |

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 TANGIBLE FIXED ASSETS

| Group  | Group<br>Freehold<br>Land and<br>Buildings<br>£ | Group<br>Fixtures<br>and<br>fittings<br>£ | Group<br>Motor<br>Vehicles<br>£ | Group<br>Total<br>£   |
|--|---|---|---------------------------------|-----------------------|
| <b>Cost</b>                                  |   |   |                                 |                       |
| At start of year                             | 1,871,006                                       | 111,562                                   | 49,503                          | 2,032,071             |
| Addition                                     | -   | 450                                       | -                               | 450                   |
| Disposals                                    | (643,482)                                       | -   | (12,690)                        | (656,172)             |
| At end of year                               | <u>1,227,524</u>                                | <u>112,012</u>                            | <u>36,813</u>                   | <u>1,376,349</u>      |
| <b>Depreciation</b>                          |   |   |                                 |                       |
| At start of year                             | 586,130   | 109,113                                   | 44,555                          | 739,798               |
| Charge for the year                          | 15,551  | 319                                       | 920                             | 16,790                |
| Eliminated on Disposal                       | (236,505)                                       | -   | (11,419)                        | (247,924)             |
| At end of year                               | <u>365,176</u>                                  | <u>109,432</u>                            | <u>34,056</u>                   | <u>508,664</u>        |
| <b>Net book value at the end of the year</b> | <u><b>862,348</b></u>                           | <u><b>2,580</b></u>                       | <u><b>2,757</b></u>             | <u><b>867,685</b></u> |
| Net book value at the start of the year      | <u>1,284,876</u>                                | <u>2,449</u>                              | <u>4,948</u>                    | <u>1,292,273</u>      |

The cost of depreciable assets included in freehold land and buildings at 31 December 2021 is £1,227,524 (2020 - £1,343,507).

| Charity only                                 | Charity<br>Freehold<br>Land and<br>Buildings<br>£ | Charity<br>Fixtures<br>and<br>fittings<br>£ | Charity<br>Motor<br>Vehicles<br>£ | Charity<br>Total<br>£ |
|--|---|---|-----------------------------------|-----------------------|
| <b>Cost</b>                                  |   |   |                                   |                       |
| At start of year                             | 969,421   | 56,777                                      | 35,715                            | 1,061,913             |
| Addition                                     | -   | 450   | -                                 | 450                   |
| Disposals                                    | (643,482)   | -   | (12,690)                          | (656,172)             |
| At end of year                               | <u>325,939</u>                                    | <u>57,227</u>                               | <u>23,025</u>                     | <u>406,191</u>        |
| <b>Depreciation</b>                          |   |   |                                   |                       |
| At start of year                             | 313,923   | 56,644                                      | 32,147                            | 402,714               |
| Charge for the year                          | 3,519   | 88  | 575                               | 4,182                 |
| Eliminated on Disposal                       | (236,505)   | -   | (11,419)                          | (247,924)             |
| At end of year                               | <u>80,937</u>                                     | <u>56,732</u>                               | <u>21,303</u>                     | <u>158,972</u>        |
| <b>Net book value at the end of the year</b> | <u><b>245,002</b></u>                             | <u><b>495</b></u>                           | <u><b>1,722</b></u>               | <u><b>247,219</b></u> |
| Net book value at the start of the year      | <u>655,498</u>                                    | <u>133</u>                                  | <u>3,568</u>                      | <u>659,199</u>        |

The cost of depreciable assets included in freehold land and buildings at 31 December 2021 is £325,939 (2020 - £741,922).

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 FIXED ASSET INVESTMENTS

#### Investment assets - property

|                                      | 2021<br>£ | 2020<br>£      |
|--------------------------------------|-----------|----------------|
| Value brought forward at 1 January   | 315,163   | 315,163        |
| Eliminated on Disposal               | (315,163) | -              |
| Transfer from tangible fixed assets  | -         | -              |
| Value carried forward at 31 December | <u>-</u>  | <u>315,163</u> |

#### Programme related investments - property

|                                      | 2021<br>£        | 2020<br>£        |
|--------------------------------------|------------------|------------------|
| Value brought forward at 1 January   | 1,173,747        | 1,173,747        |
| Transfer from tangible fixed assets  | -                | -                |
| Value carried forward at 31 December | <u>1,173,747</u> | <u>1,173,747</u> |

Included in property programme related investments is the main school land and buildings at the Swaffham site, which have been transferred to the Roman Catholic Diocese of East Anglia under a 99 year lease at a peppercorn rent. This property continues to fulfill the purposes of the charity and its charitable use.

#### Daughters of Divine Charity, St Joseph's Convent, Chesterfield ("Chesterfield")

Due to Chesterfield being under the common control of the trustees of Daughters of Divine Charity Swaffham, the results of Chesterfield have been consolidated into these financial statements. Chesterfield is a registered charity (charity number 527184), registered at the following address: St Joseph's Convent, 42 Newbold Road, Chesterfield, Derbyshire S41 7PL. The principal activity of Chesterfield is that of an independent fee paying nursery. The results of Chesterfield are as follows:

| Statement of financial activities                               |   | 2021           | 2020           |
|---|---|----------------|----------------|
| Donations and legacies  | 2 | 31,697         | 88,179         |
| Income from charitable activities                               | 3 | 217,467        | 189,291        |
| Investment Income   | 4 | 25             | 194            |
| <b>TOTAL INCOME</b>   |   | <u>249,189</u> | <u>277,664</u> |
| Expenditure on charitable activities                            |   | 263,445        | 291,848        |
| <b>TOTAL EXPENDITURE</b>  |   | <u>263,445</u> | <u>291,848</u> |
| <b>Net expenditure for the year being net movement in funds</b> |   | (14,256)       | (14,184)       |
| Total funds brought forward                                     |   | 910,195        | 924,379        |
| <b>Total funds carried forward</b>                              |   | <u>895,939</u> | <u>910,195</u> |
| <b>Balance sheet</b>  |   | <b>2021</b>    | <b>2020</b>    |
| Fixed assets  |   | 620,466        | 633,074        |
| Current assets  |   | 275,473        | 277,121        |
| <b>Total unrestricted funds</b>                                 |   | <u>895,939</u> | <u>910,195</u> |

# DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 DEBTORS

|             | Group<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>£ |
|-------------|--------------------|--------------------|----------------------|----------------------|
| School Fees | 81                 | 1,032              | -                    | -                    |
| Prepayments | 9,008              | 11,014             | 3,923                | 5,879                |
|             | <u>9,089</u>       | <u>12,046</u>      | <u>3,923</u>         | <u>5,879</u>         |

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | Group<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Accruals                     | 35,536             | 24,706             | 30,506               | 19,702               |
| Deferred income              | -                  | -                  | -                    | -                    |
| Taxation and social security | 2,046              | 1,019              | -                    | -                    |
| Other creditors              | 9,282              | 9,351              | -                    | -                    |
|                              | <u>46,864</u>      | <u>35,076</u>      | <u>30,506</u>        | <u>19,702</u>        |

## DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 RELATED PARTY TRANSACTIONS

During the year, the trustees donated their pension and salary income totalling £31,148 to the group (2020: £32,098), as well as a legacy of £Nil (2020: £79216).

Details of living expenses paid to trustees are detailed in the staff costs note.

There were no transactions between the two charities in the group (2020: £71,500) by Chesterfield to Swaffham.

There were no other related party transactions during the year (2020: Nil).

#### 14 LOAN ACCOUNT

|                                      | Group<br>2021<br>£ | Group<br>2020<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>£ |
|--------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Daughters of Divine Charity New York | -                  | <u>184,788</u>     | -                    | <u>184,788</u>       |

#### 15 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

|   | Group<br>2021<br>£  | Group<br>2020<br>£   |
|---|---------------------|----------------------|
| Net income/( expenditure)                             | 41,155              | 41,740               |
| <b>Adjustments:</b>                                   |                     |                      |
| Depreciation  | 16,790              | 28,801               |
| Investment income                                     | (42)                | (280)                |
| Disposal of Fixed Assets                              | (67,392)            | (1,604)              |
| Decrease / (Increase) in debtors                      | 2,957               | 7,383                |
| (Decrease) / Increase in creditors                    | 11,788              | 1,228                |
| <b>Net cash provided used in operating activities</b> | <u><u>5,256</u></u> | <u><u>77,268</u></u> |

## DAUGHTERS OF DIVINE CHARITY, SWAFFHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 NET DEBT NOTE

|                   | 1 January 2021 | Cashflows      | Loan<br>Repayment | 31 Dec 2021      |
|-------------------|----------------|----------------|-------------------|------------------|
| 2020              |                |                |                   |                  |
| Cash              | 475,380        | 610,863        | -                 | 1,086,243        |
| Loans over 1 year | (184,788)      | -              | 184,788           | -                |
| Total             | <u>290,592</u> | <u>610,863</u> | <u>184,788</u>    | <u>1,086,243</u> |

#### 17 PENSIONS

Non-teaching staff belong to a defined contribution pension scheme. Contributions to the scheme in the year totalled £2,273.(2020: £1,592). £350 (2020 : £419) was due to the scheme at the year end.

#### 18 POST BALANCE SHEET EVENTS

There are no Post Balance Sheet Events