

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales · Charity number 254849

Details

Other names	TRUST PROPERTY ADMINISTERED IN CONNEXION WITH THE FRANCISCAN SISTERS (OF MALTA), TRUST PROPERTY ADMINISTERED IN CONNEXION WITH THE FRANCISCAN SISTERS OF THE HEART OF JESUS
Status	Registered
Legal form	Other
Registered	1968-01-17
Register	View on the Charity Commission register

Contact

Address Franciscan Sisters of the Heart of
9 St. Georges Drive
London
SW1V 4DJ

Phone 0207 8344020

Website <https://www.fcjlondon.com>

Activities

Objects: THE ADVANCEMENT OF ANY CHARITABLE WORK FOR THE TIME BEING CARRIED ON IN ENGLAND OR WALES BY OR UNDER THE DIRECTION OF THE RELIGIOUS CONGREGATION KNOWN AS THE FRANCISCAN SISTERS OF THE HEART OF JESUS (FORMERLY OF MALTA).

Activities: Support of the religious and other charitable work of the Congregation of the Franciscan Sisters of the Heart of Jesus. This includes providing accomodation and support for sick people, and their relatives, whilst they are receiving hospital treatment in London. In addition grants are made to support the work of the Congregation overseas in various countries, includ Malta and Kenya.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing, Religious Activities
- **Who:** People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** ENGLAND AND WALES
- Malta

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£302,153	£404,834	-	-
2023-12-31	£232,859	£237,385	-	-
2022-12-31	£264,303	£233,654	-	-
2021-12-31	£174,628	£142,419	-	-
2020-12-31	£158,294	£157,608	-	-

Trustees

Name	Role	Appointed
SISTER CONSIGLIA BORG		2005-01-01
SISTER MICHELA CALLEJA		2024-12-01
SISTER SYLVIA BORG		2005-11-13

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales - Charity number 254849

Accounts

FRANCISCAN SISTERS OF THE HEART OF JESUS

Charity Number: 254849

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

FRANCISCAN SISTERS OF THE HEART OF JESUS

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2024

STATUS

The Franciscan Sisters of the Heart of Jesus is a charity established and governed by a declaration of trust dated 22 April 1960, as amended by a Charity Commission Scheme dated 22 June 1970 and by a Trust Deed dated 8 March 2004. It is registered with the Charity Commission under the reference number 254849.

TRUSTEES

Consiglia Borg
Sylvia Borg
Michela Calleja (from 1 December 2024)
Innocenza Dingli (to 26 November 2024)

PRINCIPAL ADDRESS

9-11 St George's Drive
London
SW1V 4DJ

PROFESSIONAL ADVISERS

Bankers

HSBC plc
196 Oxford Street
London
W1D 1NT

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Independent Examiner

Olayinka Tomori ACA DChA
Longmeade Consult Ltd
The Old Rectory
Springhead Road
Northfleet
Kent
DA11 8HN

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

INTRODUCTION

The trustees present their report together with the accounts for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the Charities Act 2011 and the 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) (Second Edition effective 1 January 2019) and comply with the charity's trust deed.

OBJECTIVES

The objects of the charity are *such charitable purposes as shall advance the religious and other charitable work of the Society as the Trustees with the approval of the Superior shall from time to time think fit*. The principal purpose of the Charity is therefore the advancement of religion and other charitable work in England and Wales. The work is performed under the direction of the Superior with the support of the Trustees and other members of the Community on a daily basis.

In order to do this effectively, the Community of sisters themselves has to be supported, and this includes the upkeep and maintenance of the Charity's building.

ORGANISATION

The Franciscan Sisters of the Heart of Jesus is a registered charity established by Deed of Trust. The objects of the Trust are the advancement of religion, especially that of the Roman Catholic faith, and other charitable work, by the support of a community of sisters. The Community's activities are characterised by their work with the sick. The main source of income is from running a nine-bedded facility providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives.

The Charity carries out religious and other charitable work in the UK as part of a Province of the worldwide Congregation of the Franciscan Sisters of the Heart of Jesus. The local Bursar administers the Charity's funds under the direction of the Superior. In accordance with the Congregation's own Rules and Conditions, the Bursar each year submits to the Provincial Superior and her Council a formal account of her administration of those funds.

The Provincial Council meets regularly to advise the Provincial Superior on matters concerning the Province. Formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, one of whom serves on the Council. The Provincial Superior is in turn answerable, as are the Trustees, to the Mother General of the Congregation in Rome under the Congregation's Rules and Constitutions. She submits annual reports to Mother General and her Council.

The Superior of the Charity is the Mother General. The Mother General is appointed for a period of six years and could be re-elected for one more period (i.e. 12 years in all). The Trustees are appointed by the Superior with the intention that the solemnly professed sisters fully participate in all decision making.

Other than the above, there are no related parties or connected charities associated with the Charity.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF THE YEAR

The activities of the charity have remained unchanged over many years. The Charity continued with its work to provide accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives, and in other charitable activities which advance the Roman Catholic religion. The Trustees provide for the needs of the members of the Province and strive to ensure the continuance of their work with people coming to London for hospital treatment and their families, alongside their other pastoral and religious work.

There are no changes in the objectives or policies of the Community.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

REVIEW OF THE YEAR (continued)

To maintain prudence with the charity's finances, the trustees made no grants in support of the overseas work of the Congregation (2023: £Nil). These monies when granted, are used to finance:

- The work of the Mother House of the Congregation and the Provincial House in Malta (Franciscan Bethany) in support of:
 - an increasing number of dependent, elderly sisters (totalling nearly ninety individuals) who have worked for the Congregation for many years but who, because of their vow of poverty, have no income or wealth of their own.
 - Charitable works amongst the poor and needy in Malta.
- The work of the Province in Malta in providing financial support to our missions.

Making financial contributions for these causes will be reviewed annually, with due consideration being given to the financial position of the charity.

Due to the bank fraud scam that occurred in April 2024 (see below), the Provincial House in Malta donated £40,211 to the charity.

FINANCIAL REVIEW

Income is generated primarily from providing accommodation for infirmed people who have come to London from Malta for treatment. Income for the year was £302,153 (2023: £232,859) of which £248,764 (2023: £229,928) was obtained from fees for accommodation.

Expenditure on charitable activity rose from £237,385 in 2023 to £252,334 in the year under review. The rise was mainly due to inflationary pressures and significant rises in the cost of utilities. Unfortunately, there was a further outflow of £152,500 following a fraudulent online scam on the charity's bank account in April 2024 (see Note 9 in the accounts for further details).

The net result for the year was net expenditure of £102,681 (2023: £4,526 net expenditure).

The impact of the activities in the year was that the Charity had total net assets amounting to £712,899 (2023: £815,580) which included tangible fixed assets needed for its ongoing work with a net book value of £320,021 (2023: £412,457).

Reserves Policy

As of 31 December 2024, the free assets/reserves (that is excluding the value of tangible fixed assets) of the charity stood at £320,021 (2023: £403,123); represented by the charity's net current assets. The trustees estimate that approximately £250,000, or about one year's average regular expenditure plus a consideration for maintenance of the premises, is needed to provide for the day-to-day running of the charity and for contingencies.

The residual amount is intended to provide for the long-term maintenance of sisters, but this is grossly inadequate to meet those needs. The commitment to provide for the care of members in sickness and old age has profound implications for the finances of the Charity. Members of the Province have all taken a vow of poverty which means that all rights to assets and income have been given up, generally in favour of the Province. In most cases members have devoted the whole of their working lives to the Province and the Province has an obligation to provide for their upkeep and nursing care if required. It is intended, if necessary and feasible, to build up additional Reserves as circumstances permit.

Investment Powers and Policy

By virtue of the Trustee Act 2000, the Trustees have wider investment management powers to enable a broad-based portfolio to be efficiently administered in the interests of the Charity. Should the possibility arise in future, the Trustees will be able to adopt an investment policy which is ethically sound and appropriate to the Charity's needs, particularly with a view to securing capital growth to meet rising income needs. Currently, the trustees feel the free assets of the charity are insufficient to permit wider investment other than bank and cash deposits.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

FUTURE DEVELOPMENTS

The Trustees do not expect any changes in the activities of the charity, so it is expected to continue with the provision of accommodation and ensure the wellbeing of its members. However, as the number of sisters able to support the work of the charity continues to fall with age, Trustees recognise that future activities of the charity will need to be reviewed in due course, in the light of this eventuality.

The trustees will continue to monitor the charity's finances closely and will endeavour to safeguard the long-term security of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

The objects of the charity are to advance the religious and other charitable work of the Missionary Sisters as the Trustees, with the approval of the Superior, shall from time to time think fit and for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the Trustees shall determine.

Trustees and Governance

All trustees are members of the Congregation. The power of appointment and removal of trustees rests with the Superior General for the time being. The trustees meet as frequently as is required for the purposes of the charity's activities and will meet at least twice per year. As members of the Congregation all trustees are well-versed in its charism, or ethos, and the objectives and activities of the charity.

When necessary, the trustees seek advice and support from the charity's professional advisers and attend courses, conferences and training days as required in order to keep up-to-date with legal, regulatory and other such matters.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the Charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which 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 Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Trustees on 5th August 2025.

Sr Sylvia Borg
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FRANCISCAN SISTERS OF THE HEART OF JESUS**

I report to the charity trustees on my examination of the accounts of the Franciscan Sisters of the Heart of Jesus for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view, and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 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.

Olayinka Tomori ACA DChA

6th August 2025

**Longmeade Consult Ltd
The Old Rectory
Springhead Road,
Northfleet
Kent, DA11 8HN**

FRANCISCAN SISTERS OF THE HEART OF JESUS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Total Funds (unrestricted) £	2023 Total Funds (unrestricted) £
Income and Endowments from:			
Donations and legacies	2	44,500	-
Charitable activities – fees receivable		248,764	229,928
Investments		8,889	2,931
Total Income		<u>302,153</u>	<u>232,859</u>
EXPENDITURE on:			
Charitable activity	3	252,334	237,385
Other expenditure	9	152,500	-
Total expenditure		<u>404,834</u>	<u>237,385</u>
Net movement of funds		(102,681)	(4,526)
Reconciliation of funds:			
Total funds brought forward		815,580	820,106
Total funds carried forward		<u>£712,899</u>	<u>£815,580</u>

The accompanying notes form part of these financial statements.

There are no other gains or losses other than those disclosed in the statement above.

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	6		392,878		412,457
CURRENT ASSETS					
Debtors	7	14,306		11,683	
Cash at bank and in hand		321,968		409,807	
		<u>336,274</u>		<u>421,490</u>	
CURRENT LIABILITIES					
CREDITORS:					
Amounts due within one year	8	(16,253)		(18,367)	
NET CURRENT ASSETS			320,021		403,123
NET ASSETS			<u>£712,899</u>		<u>£815,580</u>
REPRESENTED BY:					
Funds					
- Unrestricted General Funds			712,899		815,580
			<u>£712,899</u>		<u>£815,580</u>

Approved by the Trustees on 5th August 2025 and signed on their behalf by:

Sr Sylvia Borg
Trustee

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019), Charities SORP FRS 102 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates, and to exercise judgment in applying the Charity's accounting policies. The items in the accounts where these judgments and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

Assessment of going concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

b) Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income, there is probability of receipt, and the amount can be quantified with reasonable accuracy.

Donations and legacies are recognised only when received or when the charity becomes legally entitled to them.

Income received in advance is deferred until the criteria for income recognition are met.

c) Expenditure

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance costs which form part of support costs, include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading. Fixed Assets are shown in the Statement of Assets and Liabilities at cost (or an estimate thereof where purchased before the Charities Act accounting regulations came into force in 1995) less accumulated depreciation. Subsequent additions to fixed assets are shown at cost. All tangible fixed assets are used in direct furtherance of the Charity's objectives.

Tangible assets are depreciated over their estimated useful lives, at the following rates: -

Freehold buildings	2% straight line
Building Improvements and equipment	15% - 25% straight line
Motor vehicles	25% straight line

No depreciation is provided on land.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

e) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

f) Cash at bank and in hand

Cash at bank and 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. Deposits for more than three months and up to one year are disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

g) Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

h) Services provided by members of the Congregation

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

i) Pension scheme

The charity operates a defined Contribution Pension Scheme for its employees. The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

j) Statement of cash flows

The charity is exempt from the requirement to produce a Statement of Cash Flows as it qualifies as a small charity under the requirements of the Charities SORP.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donation from Malta Province	40,211	-
Other donations	4,289	-
	<hr/>	<hr/>
	£44,500	£-
	<hr/> <hr/>	<hr/> <hr/>

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. EXPENDITURE

	2024	2023
	£	£
Charitable Activity - Support of Sisters and their ministries:		
Council tax & rent	2,136	2,567
Food	27,676	30,487
Laundry	7,709	6,782
Light, heat and Water	33,338	18,387
TV	46	159
Insurance	8,626	8,119
Postage and stationery	1,019	967
Medicine and healthcare	1,351	571
Motor and travel expenses	3,206	2,678
Telephone & Internet	12,060	7,022
Clothes and footwear	1,306	747
Spiritual welfare and Chapel	2,976	3,790
Repairs, renewals and maintenance	27,916	26,998
Staff costs/Domestic Assistance (see Note 5)	92,787	85,867
Depreciation	19,579	24,385
Legal and professional fees	2,289	1,489
Bank Charges	383	398
Alms and donations	1,738	10,000
Other	2,138	2,232
Governance costs (see Note 4)	4,055	3,740
	<u>£252,334</u>	<u>£237,385</u>

Alms and donations include a donation of £1,500 (2023: £10,000) to the Congregation's Generalate in Malta.

4. GOVERNANCE COSTS

	2024	2023
	£	£
Fees paid to Independent Examiner:		
Independent examination	1,500	1,400
Accountancy	500	500
Other	2,055	1,840
	<u>£4,055</u>	<u>£3,740</u>

5. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	88,399	84,091
Social security costs	2,478	-
Pension costs	1,910	1,776
	<u>£92,787</u>	<u>£85,867</u>

The average number of employees in the year was 4 (2023: 4), all of whom carry out catering and domestic duties.

The Trustees comprise the senior management of the charity and they receive no remuneration.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

6. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Building improvements & equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2024	600,000	352,801	20,995	973,796
Additions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2024	600,000	352,801	20,995	973,796
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2024	213,600	326,744	20,995	561,339
Charge for year	9,600	9,979	-	19,579
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	223,200	336,723	20,995	580,918
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2024	£376,800	£16,078	£-	£392,878
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2023	£386,400	£26,057	£-	£412,457
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. DEBTORS

	2024 £	2023 £
Other debtors	11,333	8,792
Prepayments	2,973	2,891
	<hr/>	<hr/>
	£14,306	£11,683
	<hr/> <hr/>	<hr/> <hr/>

8. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
VAT payable	9,364	12,193
Other taxes and Social Security	3,756	3,026
Other creditors	373	348
Accrued expenses	2,760	2,800
	<hr/>	<hr/>
	£16,253	£18,367
	<hr/> <hr/>	<hr/> <hr/>

9. OTHER EXPENDITURE

In April 2024, the charity fell victim to an online fraudulent scam where the charity lost £152,500. Relevant reports have been lodged with the Police, National Crime Agency (NCA) and the Charity Commission. It is unlikely that any of the money lost to this fraudulent act will be recovered.

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales - Charity number 254849

Accounts

FRANCISCAN SISTERS OF THE HEART OF JESUS

Charity Number: 254849

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FRANCISCAN SISTERS OF THE HEART OF JESUS

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FOR THE YEAR ENDED 31 DECEMBER 2023

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TRUSTEES

Artemia Zampa
Consiglia Borg
Sylvia Borg

PRINCIPAL ADDRESS

9-11 St George's Drive
London
SW1V 4DJ

PROFESSIONAL ADVISERS

Bankers

HSBC plc
196 Oxford Street
London
W1D 1NT

Solicitors

Stone King
13 Queen Square
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Independent Examiner

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FRANCISCAN SISTERS OF THE HEART OF JESUS

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ORGANISATION

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The Charity carries out religious and other charitable work in the UK as part of a Province of the worldwide Congregation of the Franciscan Sisters of the Heart of Jesus. The local Bursar administers the Charity's funds under the direction of the Superior. In accordance with the Congregation's own Rules and Conditions, the Bursar each year submits to the Provincial Superior and her Council a formal account of her administration of those funds.

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The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF THE YEAR

The activities of the charity were similar to the prior year, following two years of the Covid-19 pandemic. The Charity continued with its work to provide accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives, and in other charitable activities which advance the Roman Catholic religion. The Trustees provide for the needs of the members of the Province and strive to ensure the continuance of their work with people coming to London for hospital treatment and their families, alongside their other pastoral and religious work.

There are no changes in the objectives or policies of the Community.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

REVIEW OF THE YEAR (continued)

To maintain prudence with the charity's finances, the trustees made no grants in support of the overseas work of the Congregation (2023: £10,000). The monies were used to finance:

- The work of the Mother House of the Congregation and the Provincial House in Malta (Franciscan Bethany) in support of:
 - an increasing number of dependent, elderly sisters (totalling nearly ninety individuals) who have worked for the Congregation for many years but who, because of their vow of poverty, have no income or wealth of their own.
 - Charitable works amongst the poor and needy in Malta.
- The work of the Province in Malta in providing financial support to our missions.

Making financial contributions for these causes will be reviewed annually, with due consideration being given to the financial position of the charity.

FINANCIAL REVIEW

Income is generated primarily from providing accommodation for infirmed people who have come to London from Malta for treatment. Income for the year was £232,859 (2022: £264,303) of which £229,928 (2022: £263,867) was obtained from fees for accommodation.

Expenditure rose marginally from £233,654 in 2022 to £237,385 in the year under review. 2023 marked the first full year of the charity having employees and this is reflected in the higher staff costs. However, there was a reduction in expenditure on repairs following the significant repairs undertaken in 2022.

The net result for the year was net expenditure of £4,526 (2022: £30,649 net income).

The impact of the activities in the year was that the Charity had total net assets amounting to £815,580 (2022: £820,106) which included tangible fixed assets needed for its ongoing work with a net book value of £412,457 (2022: £425,190).

Reserves Policy

At 31 December 2023, the free assets/reserves (that is excluding the value of tangible fixed assets) of the charity stood at £403,123 (2022: £394,916); represented by the charity's net current assets. The trustees estimate that approximately £250,000, or about one year's average regular expenditure plus a consideration for maintenance of the premises, is needed to provide for the day-to-day running of the charity and for contingencies.

The balance of £153,123 is far below the amount required to provide for the long-term maintenance of sisters. The commitment to provide for the care of members in sickness and old age has profound implications for the finances of the Charity. Members of the Province have all taken a vow of poverty which means that all rights to assets and income have been given up, generally in favour of the Province. In most cases members have devoted the whole of their working lives to the Province and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age, if they are healthy enough to do so, the work is often not remunerative and the Province must provide for their upkeep and in some cases nursing care. It is intended, if necessary and feasible, to build up additional Reserves as circumstances permit.

Investment Powers and Policy

By virtue of the Trustee Act 2000, the Trustees have wider investment management powers to enable a broad-based portfolio to be efficiently administered in the interests of the Charity. Should the possibility arise in future, the Trustees will be able to adopt an investment policy which is ethically sound and appropriate to the Charity's needs, particularly with a view to securing capital growth to meet rising income needs. Currently, the trustees feel the free assets of the charity are insufficient to permit wider investment other than bank and cash deposits.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

FUTURE DEVELOPMENTS

The Trustees expect the charity will continue with the provision of accommodation and ensure the wellbeing of its members. However, as the number of sisters able to support the work of the charity continues to fall with age, Trustees recognise that future activities of the charity will need to be reviewed in due course, in the light of this eventuality.

The trustees will continue to monitor the charity's finances closely and will endeavour to safeguard the long-term security of the charity.

POST BALANCE SHEET EVENT

In April 2024, the charity was the victim of an online scam on its bank account. This resulted in substantial financial loss to the charity of £153,000. Appropriate reports have been made to the Police, National Crime Agency and the Charity Commission. The trustees are reviewing the charity's internal financial controls to ensure measures are put in place to mitigate against the reoccurrence of events like this.

The trustees do not envisage this event will affect the charity's ability to continue as a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

The objects of the charity are to advance the religious and other charitable work of the Missionary Sisters as the Trustees, with the approval of the Superior, shall from time to time think fit and for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the Trustees shall determine.

Trustees and Governance

All trustees are members of the Congregation. The power of appointment and removal of trustees rests with the Superior General for the time being. The trustees meet as frequently as is required for the purposes of the charity's activities and will meet at least twice per year. As members of the Congregation all trustees are well-versed in its charism, or ethos, and the objectives and activities of the charity.

When necessary, the trustees seek advice and support from the charity's professional advisers and attend courses, conferences and training days as required in order to keep up-to-date with legal, regulatory and other such matters.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the Charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which 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 Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Trustees on 29th October 2024

Sr Sylvia Borg
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FRANCISCAN SISTERS OF THE HEART OF JESUS**

I report to the charity trustees on my examination of the accounts of the Franciscan Sisters of the Heart of Jesus for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

RESPONSIBILITIES AND BASIS OF REPORT

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 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

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

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

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

Olayinka Tomori ACA DChA

29th October 2024

**Longmeade Consult Ltd
The Old Rectory
Springhead Road,
Northfleet
Kent, DA11 8HN**

FRANCISCAN SISTERS OF THE HEART OF JESUS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 Total Funds (unrestricted) £	2022 Total Funds (unrestricted) £
Income and Endowments from:			
Charitable activities – fees receivable		229,928	263,867
Investments		2,931	436
Total Income		<u>232,859</u>	<u>264,303</u>
EXPENDITURE on:			
Charitable activity	2	237,385	233,654
Total expenditure		<u>237,385</u>	<u>233,654</u>
Net movement of funds		(4,526)	30,649
Reconciliation of funds:			
Total funds brought forward		820,106	789,457
Total funds carried forward		<u><u>£815,580</u></u>	<u><u>£820,106</u></u>

The accompanying notes form part of these financial statements.

There are no other gains or losses other than those disclosed in the statement above.

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS**BALANCE SHEET****AS AT 31 DECEMBER 2023**

	Notes	2023	2022
		£	£
FIXED ASSETS			
Tangible Fixed Assets	5	412,457	425,190
CURRENT ASSETS			
Debtors	6	11,683	12,300
Cash at bank and in hand		409,807	402,049
		<u>421,490</u>	<u>414,349</u>
CURRENT LIABILITIES			
CREDITORS:			
Amounts due within one year	7	(18,367)	(19,433)
NET CURRENT ASSETS		403,123	394,916
NET ASSETS		<u><u>£815,580</u></u>	<u><u>£820,106</u></u>
REPRESENTED BY:			
Funds			
- Unrestricted General Funds		815,580	820,106
		<u><u>£815,580</u></u>	<u><u>£820,106</u></u>

Approved by the Trustees on 29th October 2024 and signed on their behalf by:**Sr Sylvia Borg**
Trustee

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019), Charities SORP FRS 102 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates, and to exercise judgment in applying the Charity's accounting policies. The items in the accounts where these judgments and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

Assessment of going concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

2. Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income, there is probability of receipt, and the amount can be quantified with reasonable accuracy.

Donations and legacies are recognised only when received or when the charity becomes legally entitled to them.

Income received in advance is deferred until the criteria for income recognition are met.

3. Expenditure

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance costs which form part of support costs, include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

4. Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading. Fixed Assets are shown in the Statement of Assets and Liabilities at cost (or an estimate thereof where purchased before the Charities Act accounting regulations came into force in 1995) less accumulated depreciation. Subsequent additions to fixed assets are shown at cost. All tangible fixed assets are used in direct furtherance of the Charity's objectives.

Tangible assets are depreciated over their estimated useful lives, at the following rates: -

Freehold buildings	2% straight line
Building Improvements and equipment	15% - 25% straight line
Motor vehicles	25% straight line

No depreciation is provided on land.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5. Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

6. Cash at bank and in hand

Cash at bank and 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. Deposits for more than three months and up to one year are disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

7. Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

8. Services provided by members of the Congregation

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

9. Pension scheme

The charity operates a defined Contribution Pension Scheme for its employees. The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

10. Statement of cash flows

The charity is exempt from the requirement to produce a Statement of Cash Flows as it qualifies as a small charity under the requirements of the Charities SORP.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. EXPENDITURE

	2023	2022
	£	£
Charitable Activity - Support of Sisters and their ministries:		
Council tax & rent	2,567	3,208
Food	30,487	27,585
Laundry	6,782	5,213
Light, heat and Water	18,387	22,050
TV & Internet	159	595
Insurance	8,119	7,762
Postage and stationery	967	681
Medicine and healthcare	571	1,125
Motor and travel expenses	2,678	4,582
Telephone	7,022	3,761
Clothes and footwear	747	1,208
Spiritual welfare and Chapel	3,790	5,670
Repairs, renewals and maintenance	26,998	44,057
Staff costs/Domestic Assistance	85,867	65,231
Depreciation	24,385	30,224
Legal and professional fees	1,489	1,268
Bank Charges	398	137
Alms and donations	10,000	1,500
Other	2,232	5,597
Governance costs (see Note 3)	3,740	2,200
	<u>£237,385</u>	<u>£233,654</u>

Alms and donations include a donation of £10,000 (2022: £1,500) to the Congregation's Generalate in Malta.

3. GOVERNANCE COSTS

	2023	2022
	£	£
Fees paid to Independent Examiner:		
Independent examination	1,400	1,400
Accountancy	500	550
Other	1,840	250
	<u>£3,740</u>	<u>£2,200</u>

4. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	84,091	21,996
Social security costs	-	-
Pension costs	1,776	473
	<u>85,867</u>	<u>22,469</u>
Other domestic assistance	-	42,762
	<u>£85,867</u>	<u>£65,231</u>

The charity began employing staff from October 2022. The average number of employees in the year was 4 (2022: 4), all of whom carry out catering and domestic duties.

The Trustees comprise the senior management of the charity and they receive no remuneration.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Building improvements & equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2023	600,000	341,149	20,995	962,144
Additions	-	11,652	-	11,652
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2023	600,000	352,801	20,995	973,796
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2023	204,000	316,765	16,189	536,954
Charge for year	9,600	9,979	4,806	24,385
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	213,600	326,744	20,995	561,339
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2023	£386,400	£26,057	£-	£412,457
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	£396,000	£24,384	£4,806	£425,190
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. DEBTORS

	2023 £	2022 £
Other debtors	8,792	9,525
Prepayments	2,891	2,775
	<hr/>	<hr/>
	£11,683	£12,300
	<hr/> <hr/>	<hr/> <hr/>

7. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
VAT payable	12,193	13,814
Other taxes and Social Security	3,026	3,051
Other creditors	348	368
Accrued expenses	2,800	2,200
	<hr/>	<hr/>
	£18,367	£19,433
	<hr/> <hr/>	<hr/> <hr/>

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales - Charity number 254849

Accounts

FRANCISCAN SISTERS OF THE HEART OF JESUS

Charity Number: 254849

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FRANCISCAN SISTERS OF THE HEART OF JESUS

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2022

STATUS

The Franciscan Sisters of the Heart of Jesus is a charity established and governed by a declaration of trust dated 22 April 1960, as amended by a Charity Commission Scheme dated 22 June 1970 and by a Trust Deed dated 8 March 2004. It is registered with the Charity Commission under the reference number 254849.

TRUSTEES

Artemia Zampa
Consiglia Borg
Sylvia Borg

PRINCIPAL ADDRESS

9-11 St George's Drive
London
SW1V 4DJ

PROFESSIONAL ADVISERS

Bankers

HSBC plc
196 Oxford Street
London
W1D 1NT

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Independent Examiner

Olayinka Tomori ACA DChA
Longmeade Consult Ltd
Regus House
Victory Way
Admirals Park
Dartford
DA2 6QD

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The trustees present their report together with the accounts for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the Charities Act 2011 and the 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) (Second Edition effective 1 January 2019) and comply with the charity's trust deed.

OBJECTIVES

The objects of the charity are *such charitable purposes as shall advance the religious and other charitable work of the Society as the Trustees with the approval of the Superior shall from time to time think fit*. The principal purpose of the Charity is therefore the advancement of religion and other charitable work in England and Wales. The work is performed under the direction of the Superior with the support of the Trustees and other members of the Community on a daily basis.

In order to do this effectively, the Community of sisters themselves has to be supported and this includes the upkeep and maintenance of the Charity's building.

ORGANISATION

The Franciscan Sisters of the Heart of Jesus is a registered charity established by Deed of Trust. The objects of the Trust are the advancement of religion, especially that of the Roman Catholic faith, and other charitable work, by the support of a community of sisters. The Community's activities are characterised by their work with the sick. The main source of income is from running a nine-bedded facility providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives.

The Charity carries out religious and other charitable work in the UK as part of a Province of the worldwide Congregation of the Franciscan Sisters of the Heart of Jesus. The local Bursar administers the Charity's funds under the direction of the Superior. In accordance with the Congregation's own Rules and Conditions, the Bursar each year submits to the Provincial Superior and her Council a formal account of her administration of those funds.

The Provincial Council meets regularly to advise the Provincial Superior on matters concerning the Province. Formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, one of whom serves on the Council. The Provincial Superior is in turn answerable, as are the Trustees, to the Mother General of the Congregation in Rome under the Congregation's Rules and Constitutions. She submits annual reports to Mother General and her Council.

The Superior of the Charity is the Mother General. The Mother General is appointed for a period of six years and could be re-elected for one more period (i.e. 12 years in all). The Trustees are appointed by the Superior with the intention that the solemnly professed sisters fully participate in all decision making.

Other than the above, there are no related parties or connected charities associated with the Charity.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF THE YEAR

The activities of the charity returned to normal levels in 2022 following two years plagued by the Covid-19 pandemic. The Charity work continued with the provision of accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives, and in other charitable activities which advance the Roman Catholic religion. The Trustees provide for the needs of the members of the Province and have taken steps so far as possible to ensure the continuance of their work with people coming to London for hospital treatment and their families, alongside their other pastoral and religious work.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

REVIEW OF THE YEAR (continued)

In compliance with legislation and improving its services, the Trustees took on employees and commenced running a payroll from October 2022. This has increased the cost base of the charity but is necessary as more reliance is placed on lay persons to support the Sisters and those using the charity's accommodation facilities.

There has been no material change in the objectives or policies of the Community and no other important events affecting the Charity have occurred between the date of the Balance Sheet and the date of this Report.

To maintain prudence with the charity's finances, the trustees made no grants in support of the overseas work of the Congregation (2021: £Nil). Historically, the monies were used to finance:

- The work of the Mother House of the Congregation and the Provincial House in Malta (Franciscan Bethany) in support of:
 - an increasing number of dependent, elderly sisters (totalling nearly ninety individuals) who have worked for the Congregation for many years but who, because of their vow of poverty, have no income or wealth of their own.
 - Charitable works amongst the poor and needy in Malta.
- The work of the Province in Malta in providing financial support to our missions.

The possibility of making financial contributions in support of the overseas missions of the Congregation will be reviewed annually, with due consideration being given to the financial position of the charity.

FINANCIAL REVIEW

Income is generated almost entirely from providing accommodation for infirmed people who have come to London from Malta for treatment. Income for the year was £264,303 (2021: £170,825) of which £263,867 (2021: £170,226) was obtained from fees for accommodation. Income rose as the charity's activities gradually returned to pre-Covid levels.

Expenditure rose from £179,432 in 2021 to £233,654 in the year under review, mainly as a result staff now being employed by the charity.

The net result for the year was net income of £30,649 (2021: £8,607 net expenditure).

The impact of the activities in the year was that the Charity had net assets amounting to £820,106 (2021: £789,457) which included tangible fixed assets needed for its ongoing work with a net book value of £425,190 (2021: £455,414).

Reserves Policy

At 31 December 2022, the free assets/reserves (that is excluding the value of tangible fixed assets) of the charity stood at £394,916 (2021: £334,043); this is represented by the charity's net current assets. The trustees estimate that approximately £250,000, or about one year's average regular expenditure plus a consideration for maintenance of the premises, is needed to provide for the day-to-day running of the charity and for contingencies.

The balance of £144,916 is far below the amount required to provide for the long-term maintenance of sisters. The commitment to provide for the care of members of the Province in sickness and old age has profound implications for the finances of the Charity. Members of the Province have all taken a vow of poverty which means that all rights to assets and income have been given up, generally in favour of the Province. In most cases members have devoted the whole of their working lives to the Province and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age, if they are healthy enough to do so, the work is often not remunerative and the Province must provide for their upkeep and in some cases nursing care. It is intended, if necessary and feasible, to build up additional Reserves as circumstances permit.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment Powers and Policy

By virtue of the Trustee Act 2000, the Trustees have wider investment management powers to enable a broad based portfolio to be efficiently administered in the interests of the Charity. Should the possibility arise in future, the Trustees will be able to adopt an investment policy which is ethically sound and appropriate to the Charity's needs, particularly with a view to securing capital growth to meet rising income needs. Currently, the trustees feel the free assets of the charity are insufficient to permit wider investment other than bank and cash deposits.

FUTURE DEVELOPMENTS

The Trustees expect the charity will continue with the provision of accommodation and ensure the wellbeing of its members. However, as the number of sisters able to support the work of the charity reduces with age, Trustees recognise that future activities of the charity will need to be reviewed in due course, in the light of this eventuality.

The trustees will continue to monitor the charity's finances closely and will endeavour to safeguard the long-term security of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

The objects of the charity are to advance the religious and other charitable work of the Missionary Sisters as the Trustees, with the approval of the Superior, shall from time to time think fit and for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the Trustees shall determine.

Trustees and Governance

All trustees are members of the Congregation. The power of appointment and removal of trustees rests with the Superior General for the time being. The trustees meet as frequently as is required for the purposes of the charity's activities and will meet at least twice per year. As members of the Congregation all trustees are well-versed in its charism, or ethos, and the objectives and activities of the charity.

When necessary, the trustees seek advice and support from the charity's professional advisers and attend courses, conferences and training days as required in order to keep up-to-date with legal, regulatory and other such matters.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the Charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which 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 Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Trustees on 10th August 2023

Sr Sylvia Borg
Trustee

**INDEPENDENT EXAMINER’S REPORT TO THE TRUSTEES OF
FRANCISCAN SISTERS OF THE HEART OF JESUS**

I report to the charity trustees on my examination of the accounts of the Franciscan Sisters of the Heart of Jesus for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (“the Charities Act”) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

BASIS OF INDEPENDENT EXAMINER’S STATEMENT

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a ‘true and fair’ view and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER’S STATEMENT

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 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.

Olayinka Tomori ACA DChA

10th August 2023

**Longmeade Consult Ltd
Regus House
Victory Way,
Admiral’s Park
Kent, DA2 6QD**

FRANCISCAN SISTERS OF THE HEART OF JESUS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Total Funds (unrestricted) £	2021 Total Funds (unrestricted) £
Income and Endowments from:			
Donations and legacies		-	565
Charitable activities – fees receivable		263,867	170,226
Investments		436	34
Total Income		<u>264,303</u>	<u>170,825</u>
EXPENDITURE on:			
Charitable activity	2	233,654	179,432
Total expenditure		<u>233,654</u>	<u>179,432</u>
Net movement of funds		30,649	(8,607)
Reconciliation of funds:			
Total funds brought forward		<u>789,457</u>	<u>798,064</u>
Total funds carried forward		<u>£820,106</u>	<u>£789,457</u>

The accompanying notes form part of these financial statements.

There are no other gains or losses other than those disclosed in the statement above.

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	£	2022	£	£	2021	£
FIXED ASSETS							
Tangible Fixed Assets	5			425,190			455,414
CURRENT ASSETS							
Debtors			12,300			16,347	
Cash at bank and in hand			402,049			327,927	
			<u>414,349</u>			<u>344,274</u>	
CURRENT LIABILITIES							
CREDITORS:							
Amounts due within one year	6		<u>(19,433)</u>			<u>(10,231)</u>	
NET CURRENT ASSETS				394,916			334,043
NET ASSETS				<u>£820,106</u>			<u>£789,457</u>
REPRESENTED BY:							
Funds							
- Unrestricted General Funds				820,106			789,457
				<u>£820,106</u>			<u>£789,457</u>

Approved by the Trustees on 10th August 2023 and signed on their behalf by:

Sr Sylvia Borg
Trustee

The accompanying notes form part of these financial statements.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019), Charities SORP FRS 102 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates, and to exercise judgment in applying the Charity's accounting policies. The items in the accounts where these judgments and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

Assessment of going concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

2. Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income, there is probability of receipt, and the amount can be quantified with reasonable accuracy.

Donations and legacies are recognised only when received or when the charity becomes legally entitled to them.

Income received in advance is deferred until the criteria for income recognition are met.

3. Expenditure

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance costs which form part of support costs, include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

4. Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading. Fixed Assets are shown in the Statement of Assets and Liabilities at cost (or an estimate thereof where purchased before the Charities Act accounting regulations came into force in 1995) less accumulated depreciation. Subsequent additions to fixed assets are shown at cost. All tangible fixed assets are used in direct furtherance of the Charity's objectives.

Tangible assets are depreciated over their estimated useful lives, at the following rates: -

Freehold buildings	2% straight line
Building Improvements and equipment	15% straight line
Motor vehicles	25% straight line

No depreciation is provided on land.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

6. Cash at bank and in hand

Cash at bank and 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. Deposits for more than three months and up to one year are disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

7. Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

8. Services provided by members of the Congregation

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

9. Pension scheme

The charity operates a defined Contribution Pension Scheme for its employees. The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

10. Statement of cash flows

The charity is exempt from the requirement to produce a Statement of Cash Flows as it qualifies as a small charity under the requirements of the Charities SORP.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. EXPENDITURE

	2022	2021
	£	£
Charitable Activity - Support of Sisters and their ministries:		
Council tax & rent	3,208	723
Food	27,585	21,007
Laundry	5,213	2,729
Light, heat and Water	22,050	15,118
TV & Internet	595	1,563
Insurance	7,762	8,413
Postage and stationery	681	262
Medicine and healthcare	1,125	3,252
Motor and travel expenses	4,582	2,561
Telephone	3,761	2,646
Clothes and footwear	1,208	826
Spiritual welfare and Chapel	5,670	1,915
Repairs, renewals and maintenance	44,057	34,784
Staff costs/Domestic Assistance	65,231	41,176
Depreciation	30,224	35,174
Legal and professional fees	1,268	-
Bank Charges	137	340
Alms and donations	1,500	2,259
Other	5,597	1,534
Governance costs (see Note 3)	2,200	3,150
	<u>£233,654</u>	<u>£179,432</u>

Alms and donations include a donation of £1,500 to the Congregation's Generalate in Malta.

3. GOVERNANCE COSTS

	2022	2021
	£	£
Fees paid to Independent Examiner:		
Independent examination	1,400	1,400
Accountancy	550	550
Other	250	1,200
	<u>£2,200</u>	<u>£3,150</u>

4. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	21,996	-
Social security costs	-	-
Pension costs	473	-
	<u>22,469</u>	<u>-</u>
Other domestic assistance	42,762	41,176
	<u>£65,231</u>	<u>£41,176</u>

The charity commenced with employing staff from October 2022. The average number of employees in the year was 4 (2021: No employees) who all carry out catering and domestic duties.

The Trustees comprise the senior management of the charity and they receive no remuneration.

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

5. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Building improvements & equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2022	600,000	341,149	20,995	962,144
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2022	600,000	341,149	20,995	962,144
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2022	194,400	301,390	10,940	506,730
Charge for year	9,600	15,375	5,249	30,224
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	204,000	316,765	16,189	536,954
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2022	£396,000	£24,384	£4,806	£425,190
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	£405,600	£39,759	£10,055	£455,414
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
VAT payable	13,814	6,581
Other taxes and Social Security	3,051	-
Other creditors	368	-
Accrued expenses	2,200	3,650
	<hr/>	<hr/>
	£19,433	£10,231
	<hr/> <hr/>	<hr/> <hr/>

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales - Charity number 254849

Accounts

FRANCISCAN SISTERS OF THE HEART OF JESUS

Charity Number: 254849

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FRANCISCAN SISTERS OF THE HEART OF JESUS

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATUS

The Franciscan Sisters of the Heart of Jesus is a charity established and governed by a declaration of trust dated 22 April 1960, as amended by a Charity Commission Scheme dated 22 June 1970 and by a Trust Deed dated 8 March 2004. It is registered with the Charity Commission under the reference number 254849.

TRUSTEES

Artemia Zampa
Consiglia Borg
Sylvia Borg

PRINCIPAL ADDRESS

9-11 St George's Drive
London
SW1V 4DJ

PROFESSIONAL ADVISERS

Bankers

HSBC plc
196 Oxford Street
London
W1D 1NT

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Independent Examiner

Olayinka Tomori ACA DChA
Longmeade Consult Ltd
Regus House
Victory Way
Admirals Park
Dartford
DA2 6QD

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES

The objects of the charity are *such charitable purposes as shall advance the religious and other charitable work of the Society as the Trustees with the approval of the Superior shall from time to time think fit*. The principal purpose of the Charity is therefore the advancement of religion and other charitable work in England and Wales. The work is performed under the direction of the Superior with the support of the Trustees and other members of the Community on a daily basis.

In order to do this effectively, the Community of sisters themselves has to be supported and this includes the upkeep and maintenance of the Charity's building.

ORGANISATION

The Franciscan Sisters of the Heart of Jesus is a registered charity established by Deed of Trust. The objects of the Trust are the advancement of religion, especially that of the Roman Catholic faith, and other charitable work, by the support of a community of sisters. The Community's activities are characterised by their work with the sick. The main source of income is from running a nine-bedded facility providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives.

The Charity carries out religious and other charitable work in the UK as part of a Province of the worldwide Congregation of the Franciscan Sisters of the Heart of Jesus. The local Bursar administers the Charity's funds under the direction of the Superior. In accordance with the Congregation's own Rules and Conditions, the Bursar each year submits to the Provincial Superior and her Council a formal account of her administration of those funds.

The Provincial Council meets regularly to advise the Provincial Superior on matters concerning the Province. Formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, one of whom serves on the Council. The Provincial Superior is in turn answerable, as are the Trustees, to the Mother General of the Congregation in Rome under the Congregation's Rules and Constitutions. She submits annual reports to Mother General and her Council.

The Superior of the Charity is the Mother General. The Mother General is appointed for a period of six years and could be re-elected for one more period (i.e. 12 years in all). The Trustees are appointed by the Superior with the intention that the solemnly professed sisters fully participate in all decision making.

Other than the above, there are no related parties or connected charities associated with the Charity.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF THE YEAR

After the challenges of the Covid-19 pandemic in 2020, activities began to return to normal especially in the latter half of 2021. The Charity has continued its work in providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives, and in other charitable activities which advance the Roman Catholic religion. The Trustees provide for the needs of the members of the Province and have taken steps so far as possible to ensure the continuance of their work with people coming to London for hospital treatment and their families, alongside their other pastoral and religious work.

There has been no material change in the objectives or policies of the Community and no other important events affecting the Charity have occurred between the date of the Balance Sheet and the date of this Report.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

REVIEW OF THE YEAR (continued)

To maintain prudence with the charity's finances, the trustees made no grants in support of the overseas work of the Congregation (2020: £Nil). Historically, the monies were used to finance:

- The work of the Mother House of the Congregation and the Provincial House in Malta (Franciscan Bethany) in support of:
 - an increasing number of dependent, elderly sisters (totalling nearly ninety individuals) who have worked for the Congregation for many years but who, because of their vow of poverty, have no income or wealth of their own.
 - Charitable works amongst the poor and needy in Malta.
- The work of the Province in Malta in providing financial support to our missions.

The possibility of making financial contributions in support of the overseas missions of the Congregation will be reviewed annually, with due consideration being given to the financial position of the charity.

FINANCIAL REVIEW

Income is generated almost entirely from providing accommodation for infirmed people who have come to London from Malta for treatment. Total receipts were £174,628 (2020: £158,294) of which £147,313 (2020: £132,263) was obtained from fees for accommodation. Income rose as the restrictions arising from the Covid-19 pandemic were gradually eased during the year, despite the one-off Covid grant of £25,000 in 2020.

Payments fell from £157,608 in 2020 to £142,419 in 2021, mainly reflecting the substantial additional expenditure on repairs and maintenance in 2020.

The net result for the year was a net inflow of funds of £32,209 (2020: £686).

The impact of the activities in the year was that the Charity had net current assets amounting to £329,482 (2020: £308,774) and tangible fixed assets needed for its ongoing work with a net book value of £ 455,414 (2020: £490,588).

RESERVES POLICY

At 31 December 2021, the free assets/reserves (that is excluding the value of tangible fixed assets) of the charity stood at £329,482 (2020: £308,744); this is represented by the charity's net current assets. The trustees estimate that approximately £250,000, or about one year's average regular expenditure plus a consideration for maintenance of the premises, is needed to provide for the day-to-day running of the charity and for contingencies.

The balance of £79,482 is far below the amount required to provide for the long-term maintenance of sisters. The commitment to provide for the care of members of the Province in sickness and old age has profound implications for the finances of the Charity. Members of the Province have all taken a vow of poverty which means that all rights to assets and income have been given up, generally in favour of the Province. In most cases members have devoted the whole of their working lives to the Province and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age, if they are healthy enough to do so, the work is often not remunerative and the Province must provide for their upkeep and in some cases nursing care. It is intended, if necessary and feasible, to build up additional Reserves as circumstances permit.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

FUTURE DEVELOPMENTS

There are no plans alter the nature of the services provided by the charity in the immediate future. The Trustees expect the charity will continue with the provision of accommodation and ensure the wellbeing of its members.

The trustees will continue to monitor the charity's finances closely and will endeavour to safeguard the long-term security of the charity. No major changes in activities are envisaged.

INVESTMENT POWERS AND POLICY

By virtue of the Trustee Act 2000, the Trustees now have wider investment management powers to enable a broad based portfolio to be efficiently administered in the interests of the Charity. Should the possibility arise in future, the Trustees will be able to adopt an investment policy which is ethically sound and appropriate to the Charity's needs, particularly with a view to securing capital growth to meet rising income needs. Currently, the free assets of the charity are such that the trustees feel that there are insufficient resources to permit wider investment than bank and cash deposits.

COMPLIANCE WITH THE CHARITY'S GOVERNING DOCUMENT AND CURRENT STATUTORY REQUIREMENTS

The accounts have been prepared in accordance with the Governing Document of the Charity and with current statutory requirements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the Charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which 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 Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Trustees on 31 October 2022

Sr Sylvia Borg
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FRANCISCAN SISTERS OF THE HEART OF JESUS**

I report to the charity trustees on my examination of the accounts of the Franciscan Sisters of the Heart of Jesus for the year ended 31 December 2021.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 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

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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.

Olayinka Tomori ACA DChA

31 October 2022

**Longmeade Consult Ltd
Regus House
Victory Way,
Admiral's Park
Kent, DA2 6QD**

FRANCISCAN SISTERS OF THE HEART OF JESUS

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Total £	2020 total £
RECEIPTS			
Donations and legacies		22,063	575
Local Authority Covid-19 Grant		-	25,000
Fees		147,313	132,263
Bank interest		34	456
Net VAT		5,218	-
		<hr/>	<hr/>
		174,628	158,294
		<hr/>	<hr/>
PAYMENTS			
Charitable activities			
Support of the overseas mission of the Congregation		-	-
Support of sisters and their ministries	2	110,866	122,386
Building improvements		31,553	23,498
Other expenditure		-	-
Net VAT		-	11,724
		<hr/>	<hr/>
		142,419	157,608
		<hr/>	<hr/>
Excess of receipts over payments		32,209	686
Cash at Bank & In Hand:			
At beginning of year		295,718	295,032
		<hr/>	<hr/>
At end of year		£327,927	£295,718
		<hr/> <hr/>	<hr/> <hr/>

FRANCISCAN SISTERS OF THE HEART OF JESUS

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2021

NET CURRENT ASSETS

	Note	2021		2020	
		£	£	£	£
CASH AT BANK & IN HAND					
Deposit and Current Accounts			325,874		294,111
Cash			2,053		1,607
			<u>327,927</u>		<u>295,718</u>
OTHER MONETARY ASSETS					
Accrued income		13,315		11,900	
Prepaid expenses		3,032		3,671	
			<u>16,347</u>		<u>15,571</u>
			<u>344,274</u>		<u>311,289</u>
LIABILITIES					
Creditors and accrued expenses	4		(14,792)		(2,545)
NET CURRENT ASSETS					
			<u>£329,482</u>		<u>£308,744</u>

TANGIBLE FIXED ASSETS

	Freehold land & buildings	Building improvements & equipment	Motor Vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	600,000	341,149	20,995	962,144
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>600,000</u>	<u>341,149</u>	<u>20,995</u>	<u>962,144</u>
31 December 2021	600,000	341,149	20,995	962,144
Depreciation				
At 1 January 2021	184,800	281,066	5,690	471,556
Charge for year	9,600	20,324	5,250	35,174
Disposals	-	-	-	-
	<u>194,400</u>	<u>301,390</u>	<u>10,940</u>	<u>506,730</u>
At 31 December 2021	194,400	301,390	10,940	506,730
Net book value				
At 31 December 2021	<u>£405,600</u>	<u>£39,759</u>	<u>£10,055</u>	<u>£455,414</u>
At 31 December 2020	<u>£415,200</u>	<u>£60,083</u>	<u>£15,305</u>	<u>£490,588</u>

Approved by the Trustees on 31 October 2022

Sr Sylvia Borg
Trustee

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Charities Act 2011 and Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis.

Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading. Fixed Assets are shown in the Statement of Assets and Liabilities at cost (or an estimate thereof where purchased before the Charities Act accounting regulations came into force in 1995) less accumulated depreciation. Subsequent additions to fixed assets are shown at cost.

All tangible fixed assets are used in direct furtherance of the Charity's objectives.

Tangible assets are depreciated over their estimated useful lives, at the following rates: -

Freehold buildings	2%	straight line
Furnishings and equipment	15%	straight line
Motor vehicles	25%	straight line

No depreciation is provided on land.

No charge for depreciation is shown in the Receipts and Payments Account as it does not represent an outflow of cash. Additions to Fixed Assets are reflected in the Receipts and Payments Account as a payment in the year in which the expenditure is incurred.

2. SUPPORT OF SISTERS AND THEIR MINISTRIES

	2021	2020
	£	£
Council tax & rent	723	4,249
Food	21,007	21,907
Laundry	2,729	2,703
Light, heat and Water	15,118	15,722
TV & Internet	1,563	218
Insurance	7,658	10,795
Postage and stationery	262	937
Medicine and healthcare	3,252	1,032
Small furniture and equipment	-	2,402
Motor and travel expenses	2,561	1,337
Telephone	2,646	3,951
Clothes and footwear	826	413
Spiritual welfare and Chapel	1,915	2,194
Repairs, renewals and maintenance	3,347	19,531
Staff costs/Domestic Assistance	41,176	25,685
Visa fees	-	1,162
Bank Charges	340	559
Alms and donations	2,259	2,930
Other	1,534	1,358
Governance costs (see Note 3)	1,950	3,301
	<u>£110,866</u>	<u>£122,386</u>

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. GOVERNANCE COSTS

	2021	2020
	£	£
Fees paid to Independent Examiner		
Independent examination	1,400	1,400
Accountancy	550	550
	<u>1,950</u>	<u>1,950</u>
Legal and professional fees	-	1,351
	<u>£1,950</u>	<u>£3,301</u>

4. LIABILITIES

	2021	2020
	£	£
VAT (reclaimable)/payable	8,923	(473)
VAT on trade debtors	2,219	568
	<u>11,142</u>	<u>95</u>
Accrued expenses	3,650	2,450
Deposits and income received in advance	-	-
	<u>3,650</u>	<u>2,450</u>
	<u>£14,792</u>	<u>£2,545</u>

5. COVID-19 PANDEMIC AND CHARITY OPERATIONS

The easing of Covid restrictions in the year has resulted in the charity gradually seeing a rise in the number of guests staying at the House. Consequently, the level of reserves has risen in the year, ensuring the charity will be able to continue in operational existence for the foreseeable future.

FRANCISCAN SISTERS OF THE HEART OF JESUS

England & Wales - Charity number 254849

Accounts

FRANCISCAN SISTERS OF THE HEART OF JESUS

Charity Number: 254849

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FRANCISCAN SISTERS OF THE HEART OF JESUS

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2020

STATUS

The Franciscan Sisters of the Heart of Jesus is a charity established and governed by a declaration of trust dated 22 April 1960, as amended by a Charity Commission Scheme dated 22 June 1970 and by a Trust Deed dated 8 March 2004. It is registered with the Charity Commission under the reference number 254849.

TRUSTEES

Artemia Zampa
Consiglia Borg
Sylvia Borg

PRINCIPAL ADDRESS

9-11 St George's Drive
London
SW1V 4DJ

PROFESSIONAL ADVISERS

Bankers

HSBC plc
196 Oxford Street
London
W1D 1NT

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Independent Examiner

Olayinka Tomori ACA DChA
Longmeade Consult Ltd
Regus House
Victory Way
Admirals Park
Dartford
DA2 6QD

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES

The objects of the charity are *such charitable purposes as shall advance the religious and other charitable work of the Society as the Trustees with the approval of the Superior shall from time to time think fit*. The principal purpose of the Charity is therefore the advancement of religion and other charitable work in England and Wales. The work is performed under the direction of the Superior with the support of the Trustees and other members of the Community on a daily basis.

In order to do this effectively, the Community of sisters themselves has to be supported and this includes the upkeep and maintenance of the Charity's building.

ORGANISATION

The Franciscan Sisters of the Heart of Jesus is a registered charity established by Deed of Trust. The objects of the Trust are the advancement of religion, especially that of the Roman Catholic faith, and other charitable work, by the support of a community of sisters. The Community's activities are characterised by their work with the sick. The main source of income is from running a nine-bedded facility providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives.

The Charity carries out religious and other charitable work in the UK as part of a Province of the worldwide Congregation of the Franciscan Sisters of the Heart of Jesus. The local Bursar administers the Charity's funds under the direction of the Superior. In accordance with the Congregation's own Rules and Conditions, the Bursar each year submits to the Provincial Superior and her Council a formal account of her administration of those funds.

The Provincial Council meets regularly to advise the Provincial Superior on matters concerning the Province. Formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, one of whom serves on the Council. The Provincial Superior is in turn answerable, as are the Trustees, to the Mother General of the Congregation in Rome under the Congregation's Rules and Constitutions. She submits annual reports to Mother General and her Council.

The Superior of the Charity is the Mother General. The Mother General is appointed for a period of six years and could be re-elected for one more period (i.e. 12 years in all). The Trustees are appointed by the Superior with the intention that the solemnly professed sisters fully participate in all decision making.

Other than the above, there are no related parties or connected charities associated with the Charity.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF THE YEAR

The Covid-19 pandemic has had a significant impact on the level of activities within the charity and the services it provides. In the light of the pandemic, the Charity has strived to continue its work in providing accommodation and care for people coming to London from Malta for hospital treatment, and for their relatives, and in other charitable activities which advance the Roman Catholic religion. The Trustees provide for the needs of the members of the Province and in spite of the pandemic, have taken steps so far as possible to ensure the continuance of their work with people coming to London for hospital treatment and their families, alongside their other pastoral and religious work.

Other than the obvious effect of the global pandemic, here has been no material change in the objectives or policies of the Community and no other important events affecting the Charity have occurred between the date of the Balance Sheet and the date of this Report.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF THE YEAR (continued)

To maintain prudence with the charity's finances, the trustees made no grants in support of the overseas work of the Congregation (2019: £50,000). Historically, the monies were used to finance:

- The work of the Mother House of the Congregation and the Provincial House in Malta (Franciscan Bethany) in support of:
 - an increasing number of dependent, elderly sisters (totalling nearly ninety individuals) who have worked for the Congregation for many years but who, because of their vow of poverty, have no income or wealth of their own.
 - Charitable works amongst the poor and needy in Malta.
- The work of the Province in Malta in providing financial support to our missions.

The possibility of making financial contributions in support of the overseas missions of the Congregation will be reviewed annually, with due consideration being given to the financial position of the charity.

FINANCIAL REVIEW

Income is generated almost entirely from providing accommodation for infirmed people who have come to London from Malta for treatment. Total receipts were £158,294 (2019: £199,917) of which £132,263 (2019: £193,529) was obtained from fees for accommodation and £25,000 was a Covid-19 government grant. The reduction in income was primarily due to the Covid-19 pandemic which resulted in the House not having any guests from Malta for most of the year.

Payments fell from £252,793 in 2019 to £157,608 in 2020; the reduction was primarily due to £50,000 sent to the congregation for overseas missions and the purchase of a vehicle in 2019, and the impact of the global pandemic which curtailed activities in 2020.

The net result for the year was a small net inflow of funds of £686 (2019: £52,876 net outflow).

The impact of the activities in the year was that the Charity had net current assets amounting to £308,744 (2019: £290,314) and tangible fixed assets needed for its ongoing work with a net book value of £ 490,588 (2019: £502,264).

RESERVES POLICY

At 31 December 2020, the free assets/reserves (that is excluding the value of tangible fixed assets) of the charity stood at £ 308,744 (2019: £ 290,314); this is represented by the charity's net current assets. The trustees estimate that approximately £250,000, or about one year's average regular expenditure, is needed to provide for the day-to-day running of the charity and for contingencies.

The balance of £58,744 is far below the amount required to provide for the long-term maintenance of sisters. The commitment to provide for the care of members of the Province in sickness and old age has profound implications for the finances of the Charity. Members of the Province have all taken a vow of poverty which means that all rights to assets and income have been given up, generally in favour of the Province. In most cases members have devoted the whole of their working lives to the Province and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age, if they are healthy enough to do so, the work is often not remunerative and the Province must provide for their upkeep and in some cases nursing care. It is intended, if necessary and feasible, to build up additional Reserves as circumstances permit.

FRANCISCAN SISTERS OF THE HEART OF JESUS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE DEVELOPMENTS

A substantial portion of the charity's income is generated from accommodation and care provided to those who have come to the UK from Malta for medical treatment. The Covid-19 pandemic has had a significant impact on this income stream in 2020 as patients could not come over from Malta for medical attention. However, the charity, with some prudence, managed a break-even position for 2020. Although the situation with the pandemic appears to be improving, the trustees will continue to adopt a cautious approach as there is no clear end to the pandemic. However, trustees consider that the reserves held should be sufficient to see the charity through this most challenging and unprecedented times. Trustees are therefore of the opinion that the charity can continue in operational existence for the foreseeable future.

The trustees will continue to monitor the charity's finances closely and will endeavour to safeguard the long-term security of the charity. No major changes in activities are envisaged.

INVESTMENT POWERS AND POLICY

By virtue of the Trustee Act 2000, the Trustees now have wider investment management powers to enable a broad based portfolio to be efficiently administered in the interests of the Charity. Should the possibility arise in future, the Trustees will be able to adopt an investment policy which is ethically sound and appropriate to the Charity's needs, particularly with a view to securing capital growth to meet rising income needs. Currently, the free assets of the charity are such that the trustees feel that there are insufficient resources to permit wider investment than bank and cash deposits.

COMPLIANCE WITH THE CHARITY'S GOVERNING DOCUMENT AND CURRENT STATUTORY REQUIREMENTS

The accounts have been prepared in accordance with the Governing Document of the Charity and with current statutory requirements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis
- make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the Charity will continue on that basis.

The trustees are responsible for ensuring proper accounting records are kept which 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 Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Trustees on 15th October 2021

Sr Sylvia Borg
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FRANCISCAN SISTERS OF THE HEART OF JESUS**

I report to the charity trustees on my examination of the accounts of the Franciscan Sisters of the Heart of Jesus for the year ended 31 December 2020.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 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

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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.

Olayinka Tomori ACA DChA

15th October 2021

**Longmeade Consult Ltd
Regus House
Victory Way,
Admiral's Park
Kent, DA2 6QD**

FRANCISCAN SISTERS OF THE HEART OF JESUS

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 Total £	2019 total £
RECEIPTS			
Donations and legacies		575	1,000
Local Authority Covid-19 Grant		25,000	-
Fees		132,263	193,529
Bank interest		456	1,545
Sales of motor vehicle		-	1,325
Net VAT		-	2,518
		<u>158,294</u>	<u>199,917</u>
PAYMENTS			
Charitable activities			
Support of the overseas mission of the Congregation		-	50,000
Support of sisters and their ministries	2	122,386	137,193
Building improvements		23,498	28,649
Purchase of motor vehicle		-	20,995
Other expenditure		-	15,956
Net VAT		11,724	-
		<u>157,608</u>	<u>252,793</u>
Excess of (Payments over receipts) / receipts over payments		686	(52,876)
Cash at Bank & In Hand			
At beginning of year		295,032	347,908
At end of year		<u><u>£295,718</u></u>	<u><u>£295,032</u></u>

FRANCISCAN SISTERS OF THE HEART OF JESUS

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2020

NET CURRENT ASSETS

	Note	2020		2019	
		£	£	£	£
CASH AT BANK & IN HAND					
Deposit and Current Accounts			294,111		287,409
Cash			1,607		7,623
			<u>295,718</u>		<u>295,032</u>
OTHER MONETARY ASSETS					
Accrued income		11,900		9,995	
Prepaid expenses		3,671		5,779	
		<u>15,571</u>		<u>15,774</u>	
			<u>311,289</u>		<u>310,806</u>
LIABILITIES					
Creditors and accrued expenses	4		(2,545)		(20,492)
NET CURRENT ASSETS					
			<u>£308,744</u>		<u>£290,314</u>

TANGIBLE FIXED ASSETS

	Freehold land & buildings	Building improvements & equipment	Motor Vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2020	600,000	474,702	20,995	1,095,697
Additions	-	23,498	-	23,498
Disposals	-	(157,051)	-	(157,051)
	<u>600,000</u>	<u>341,149</u>	<u>20,995</u>	<u>962,144</u>
31 December 2020	600,000	341,149	20,995	962,144
Depreciation				
At 1 January 2020	175,200	417,793	440	593,433
Charge for year	9,600	20,324	5,250	35,174
Disposals	-	(157,051)	-	(157,051)
	<u>184,800</u>	<u>281,066</u>	<u>5,690</u>	<u>471,556</u>
At 31 December 2020	184,800	281,066	5,690	471,556
Net book value				
At 31 December 2020	<u>£415,200</u>	<u>£60,083</u>	<u>£15,305</u>	<u>£490,588</u>
At 31 December 2019	<u>£424,800</u>	<u>£56,909</u>	<u>£20,555</u>	<u>£502,264</u>

Approved by the Trustees on 15th October 2021

Sr Sylvia Borg
Trustee

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Charities Act 2011 and Charity Commission guidelines for the preparation of accounts using the Receipts and Payments basis.

Tangible Fixed Assets

Fixed asset additions below £1,500 are not categorised as capital but are included in payments in the year under an appropriate heading. Fixed Assets are shown in the Statement of Assets and Liabilities at cost (or an estimate thereof where purchased before the Charities Act accounting regulations came into force in 1995) less accumulated depreciation. Subsequent additions to fixed assets are shown at cost.

All tangible fixed assets are used in direct furtherance of the Charity's objectives.

Tangible assets are depreciated over their estimated useful lives, at the following rates: -

Freehold buildings	2%	straight line
Furnishings and equipment	15%	straight line
Motor vehicles	25%	straight line

No depreciation is provided on land.

No charge for depreciation is shown in the Receipts and Payments Account as it does not represent an outflow of cash. Additions to Fixed Assets are reflected in the Receipts and Payments Account as a payment in the year in which the expenditure is incurred.

2. SUPPORT OF SISTERS AND THEIR MINISTRIES

	2020	2019
	£	£
Council tax & rent	4,249	3,599
Food	21,907	23,846
Laundry	2,703	5,492
Light, heat and Water	15,722	14,289
TV & Internet	218	173
Insurance	10,795	10,780
Postage and stationery	937	1,783
Medicine and healthcare	1,032	921
Small furniture and equipment	2,402	1,662
Motor and travel expenses	1,337	4,714
Telephone	3,951	6,176
Clothes and footwear	413	978
Spiritual welfare and Chapel	2,194	3,092
Repairs, renewals and maintenance	19,531	30,787
Staff costs/Domestic Assistance	25,685	22,517
Visa fees	1,162	-
Bank Charges	559	1,670
Alms and donations	2,930	-
Other	1,358	1,583
Governance costs (see Note 3)	3,301	3,131
	<u>£122,386</u>	<u>£137,193</u>

FRANCISCAN SISTERS OF THE HEART OF JESUS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. GOVERNANCE COSTS

	2020	2019
	£	£
Fees paid to Independent Examiner		
Independent examination	1,400	1,400
Accountancy	550	550
	<u>1,950</u>	<u>1,950</u>
Legal and professional fees	1,351	1,181
	<u>£3,301</u>	<u>£3,131</u>

4. LIABILITIES

	2020	2019
	£	£
VAT (reclaimable)/payable	(473)	11,326
VAT on trade debtors	568	1,666
	<u>95</u>	<u>12,992</u>
Accrued expenses	2,450	2,500
Deposits and income received in advance	-	5,000
	<u>2,450</u>	<u>7,500</u>
	<u>£2,545</u>	<u>£20,492</u>

5. COVID-19 PANDEMIC AND CHARITY OPERATIONS

The trustees have continued to review the impact of the Covid-19 pandemic on the charity's operations and on its ability to continue as a going concern. Due consideration has been given to assessing future income and expenditure including cash flow. Given the unprecedented nature of the pandemic, it is difficult to evaluate its impact on the charity's future activities with reasonable certainty. However, the trustees believe that the level of reserves will ensure the charity will be able to continue in operational existence for the foreseeable future.