

**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**

	<b>Note</b>	<b>2021 Total £</b>	<b>2020 total £</b>
<b>RECEIPTS</b>			
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	-
		<u>174,628</u>	<u>158,294</u>
<b>PAYMENTS</b>			
<b>Charitable activities</b>			
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
		<u>142,419</u>	<u>157,608</u>
<b>Excess of receipts over payments</b>		<b>32,209</b>	<b>686</b>
<b>Cash at Bank &amp; In Hand:</b>			
At beginning of year		295,718	295,032
<b>At end of year</b>		<u><u>£327,927</u></u>	<u><u>£295,718</u></u>





# 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**

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

**4. LIABILITIES**

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

**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.