

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales · Charity number 287232

Details

Other names	SISTERS OF THE SACRED HEARTS OF JESUS AND MARY
Status	Registered
Legal form	Trust
Registered	1983-06-22
Register	View on the Charity Commission register

Contact

Address	Chigwell Convent 803 Chigwell Road Woodford Green IG8 8AU
Phone	02085041624
Email	mail@sacredheartsjm.org
Website	www.sacredheartsjm.org

Activities

Objects: THE PROMOTION OF ANY CHARITABLE WORKS OR OBJECTS FOR THE TIME BEING CARRIED ON OR SUPPORTED (WHETHER IN THE UNITED KINGDOM OR ELSEWHERE) BY THE CONGREGATION KNOWN AS THE SISTERS OF THE SACRED HEARTS OF JESUS AND MARY, FAILING WHICH SUCH GENERAL CHARITABLE PURPOSES, IN CONNECTION WITH THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES THINK FIT.

Activities: The charitable fund operates two schools, providing education and care for pupils with special needs.

Classification

- **How:** Provides Services
- **What:** Education/training, Disability, Religious Activities
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** UNDEFINED
- Essex
- Hillingdon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,449,551	£10,295,659	£6,299,366	194
2024-03-31	£9,622,537	£9,986,104	£6,145,474	195
2023-03-31	£9,290,641	£9,354,059	£6,509,041	198
2022-03-31	£8,983,849	£9,339,166	£6,572,459	211
2021-03-31	£8,813,048	£8,306,334	£6,927,776	205

Trustees

Name	Role	Appointed
Sister Elizabeth Dawson		2022-02-02
Sister Julie Rose		2022-02-02
Sister Kathleen Corbett		2014-09-30
Sister Mary Catherine MacInnes		2022-02-02

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales - Charity number 287232

Accounts

**The Sacred Hearts
Sisters 1983
Charitable Fund**

Annual Report and Accounts

Year ended 31 March 2025

Charity Registration Number
287232

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Rosemary Clerkin (Resigned 28 January 2025) Sister Kathleen Corbett Sister Elizabeth Dawson Sister Mary Catherine Macinnes Sister Julie Rose
The General Treasurer	Sister Elizabeth Dawson
Senir Management	Natasha Johnson (Principal of Pield Heath House School) Wendy Killilea (Principal of St John's R.C. School)
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	287232
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG

Reference and administrative details of the charity, its trustees and advisers

Insurance Brokers

PIB Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

The trustees present their statutory report together with the accounts of the Sacred Hearts Sisters 1983 Charitable Fund (the charity) for the year ended 31 March 2025.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 32 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Statement of Recommended Practice on "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)".

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 101 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

"Joyful co-creators sharing God's unconditional love in our wounded world"

*"We, the Sisters of the Sacred Hearts of Jesus and Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God."*

Mission

The Sacred Hearts Sisters 1983 Charitable Trust continues to support the main activity of education and running two schools, St John's Special School, Chigwell and Pield Heath House School, Uxbridge.

Activities, achievements, specific objectives and relevant policies

Education

The trustees are responsible for both schools providing education and care of pupils with special needs. Both schools throughout the year, following on from last year, continue to have discussions with external partners, local diocese and the Catholic Education Service in terms of future governance and leadership.

Pield Heath House School, Uxbridge

Pield Heath House School is a non-maintained, co-educational school for young people with special educational needs between the ages of 7 and 19 years, recognised by the Department for Education and under the trusteeship of The Sacred Hearts Sisters 1983 Charitable Fund.



The school offers day, residential and respite provision to young people with moderate to severe learning difficulties, autistic spectrum disorders and associated speech, language and communication difficulties within a warm and caring environment where daily life is underpinned by Christian principles.

Since its foundation in 1901, Pield Heath House School has helped young people with learning difficulties to develop their full potential. They have a highly skilled and deeply committed team that prides itself on providing a holistic approach to education, within a caring, spiritual environment where every young person is of equal importance, valued for what they are and encouraged to reach their maximum potential. The staff are passionate in their work with the young people to encourage their progress, celebrate their achievements and inspire confidence in their futures, in close partnership with parents and carers. The school's main purpose is to maximise students' life experience to enable their independence and inclusion in the wider community.

During the financial year 2024-25 the number of students remained at 94 and increased to 96 by March 2025. The majority of students continue to come from Hillingdon Local Authority. All students have an Education Health and Care Plan which outlines their needs and the provision required to meet those individual needs. Students' needs range from moderate to severe and complex learning needs and difficulties in speech language and communication and sensory processing needs. Students referred are increasingly complex in need requiring staff with specialised knowledge and experience and an increase in the number of support staff required.

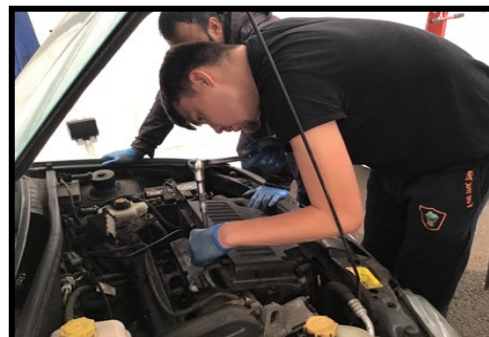
As of 31 March 2025, students attending the school came from the following Local Authorities:

Brent	Bucks	Ealing	Harrow	Herts	Hillingdon	Hounslow	Slough	Other
3	2	7	5	2	61	11	3	2

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

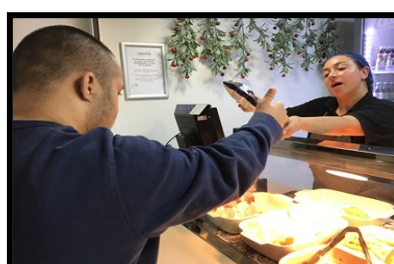


The school continues to offer a broad and balanced curriculum. The Curriculum Intent is to “Prepare for life beyond school” and the three curriculum pathways are designed to lead to each pupil’s most likely destination when they leave. Pathway 1 or the pre-formal curriculum, for those with most complex needs, Pathway 2 or semi-formal curriculum for those who need a mixture of developmental and formal curricula and Pathway 3 or formal curriculum for those who are likely to move on to training and employment.

Staff have devised assessment frameworks to complement these and the use of Evidence for Learning, an application to track the progress of children and young people towards outcomes as set out in their Education, Health and Care Plans (EHCPs). The applications parent portal facilitates engagement with families which continues to improve since its introduction.

Students achieve accreditation in ASDAN Transition Challenge, ASDAN Bronze Award, Functional Skills Entry Level OCR 1, 2 or 3 and Art Entry Level Exams. The school uses Positive Behaviour Support (PBS), a values-led, person-centred approach that seeks to understand behaviours and change systems and culture. ‘The Thrive Approach’, a social and emotional assessment and intervention programme continues to inform EHCP. The school employs a full-time occupational therapist and a consultant speech and language therapist, and has capacity for 2 OT’s and 3 Speech and Language Therapists.

Pathway 2 and 3 students continue to develop important vocational and transferable work-based skills.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

The school continues to develop links with the local college and external work placement and students have successfully completed the Prince's Trust Achieve Programme which aims to support young people to achieve a range of personal and employability skills and gain qualifications and preparation for career planning, adjusting to transition and the expectations of further education.

Pathway three students attend successful work experience in the hospitality department at Brunel University and attend external college links, in preparation for their transition to Post 19.

Education Staffing Structure at March 2025

Qualified Teachers: 9

Unqualified teachers: 2

Instructors: 3

Signalong Tutor: 1

An Assistant Principal responsible for Assessment and Pastoral was appointed as well as a Middle Leader for English.

2 Teachers started their QTLS and QTS respectively.

Vacancies

Teachers: 2

Performing Arts: 1

Higher Level Teaching Assistant (HLTA): 1

Specialist Support Assistants: 10

Band 6 Occupational Therapist (OT): 1

Speech and Language Therapists (SaLT): 2

Full Time Caretaker: 1

School Administrator: 1

It continues to prove very difficult to recruit therapists. The reliance upon consultants continues to be necessary at this stage in order to ensure statutory requirements as set out in EHCP's are met.

All staff participated in Equality and Diversity Training delivered by Equaliteach. The feedback from this training was overwhelmingly positive and encouraged everyone to reflect on their personal beliefs, attitudes and behaviours, and the impact of unconscious bias. The schools consultant HR advisor also delivered training on the Code of Conduct, Bullying and Harassment.

The school is also reviewing the current staff capacity to develop an HR role within the school.

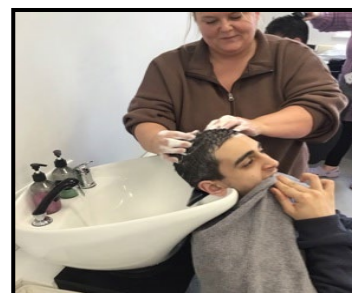
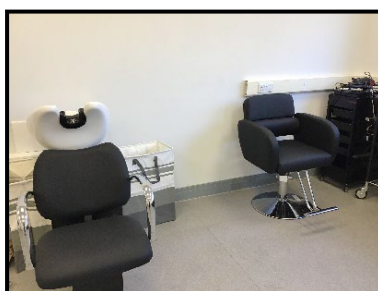
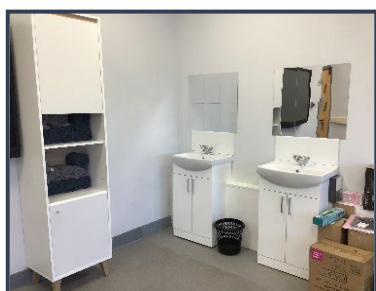
Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

School improvements

- ◆ During the Summer holidays school improvement projects included the replacement of the full roof to St Joseph's.
- ◆ Classrooms for Pathway 2 and Pathway 1 students were redecorated to further develop SPELL environments. To reinforce the SPELL framework across the school and set expectations for provision at the start of the year. The SPELL framework is a widely used approach to supporting individuals with autism spectrum disorder (ASD). SPELL stands for Structure, Positive, Empathy, Low arousal, and Links. To support this Low Arousal framework, the school colour palette for refurbishments are shades of grey and blue which was started during the summer projects.
- ◆ The Looking Good Room was redesigned to support Personal Care and Employability Skills. Within Work Skill Sessions students will have an opportunity to develop key skills such as Communication, Interpersonal skills, Teamwork skills, Decision-making skills, Organisational skills and Active listening, which will be the focus. Students will also have an environment which allows them to develop their presentation, personal care, life and independence skills as outlined in their EHC Plans and be better able to achieve positive outcomes.
- ◆ The external doors of the Sixth Form were replaced with fob-controlled access doors.



Future Plans

- ◆ To replace the remaining doors in the Administration building with Fob controlled doors.
- ◆ To purchase new iPads for recording Assessment and Evidence for Learning by Class Teachers and Support Staff.
- ◆ To review impact and effectiveness of finance processes and control.
- ◆ To develop links with Finance Departments in NASS schools to explore provision maps to inform fee structure and possible commissioning model with Local Authorities.
- ◆ To develop a Fundraising Committee for additional sources of income.

Activities, achievements, specific objectives and relevant policies (continued)

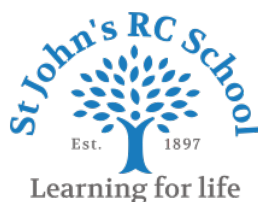
Education (continued)

Field Heath House School, Uxbridge (continued)

- ◆ To develop model for recruitment with preferred suppliers.
- ◆ Continue to explore potential of developing the residential provision.



St John's Special School, Chigwell



St John's RC School is a non-maintained special school offering day provision for pupils aged 5 to 19 with a wide range of needs including moderate to severe learning difficulties, autistic spectrum disorder (ASD) and those with associated speech, language and communication difficulties. The school continues to be very popular with parents and Local Education Authorities (LEAs), with 99 pupils on roll. Based in Woodford Green, Essex the school has students from across the county as well as the London Boroughs. Although a Roman Catholic school, St John's welcomes pupils from all faiths and backgrounds.

Since September 2015, St John's has been in partnership with New City College and provides a 19-25 provision for those students who are not quite ready for mainstream college aiming to bridge this gap by meeting their individual needs. The post-19 provision continues to be very successful.

St John's continues to be a very popular school with parents and local authorities with 100 pupils on role. The School caters for the educational needs of pupils with moderate to severe learning difficulties relating to communication and behaviour.

The number of students with language and communication difficulties is still increasing and we have a large percentage of students with Autism and downs syndrome.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Currently the following local Education Authorities (LEAs) place children at St John's:

Redbridge	Enfield	Newham	Waltham Forest	Tower Hamlets	Barking and Dagenham	Hackney	Essex	Other
51	10	4	15	9	2	2	5	2

Progress

The school continues to offer a broad and balanced curriculum, which meets the needs of our young people and promotes preparation for adulthood.

The students in our primary department range from year 3 to year 6. The students follow either a sensory or semi formal pathway depending on their individual needs.

The sensory pathway is for those young people who are curious to learn and love to explore. They learn about the world through sensory activities. The use of objects of reference and visuals are used to support them with their emerging communication.

In the semi formal pathway our young people learn through play, with a shift to supported play. They learn through process-based activities with a focus on life skills such as dressing and undressing and social communication, making their wants and needs known and developing friendships.

The secondary department is for students from year 7 to year 11.

The focus on communication continues in the secondary department with the support of Makaton, communication devices and visuals. Social communication takes on a bigger role through the use of games, role-play and drama.

The students in the formal pathway do some Asdan and AQA entry level accreditation.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

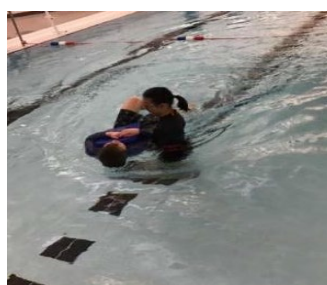
St John's Special School, Chigwell (continued)

Progress (continued)

The same three pathways exist in the post 16. We support learning transitioning from child to adult services with an emphasis on developing life and independence skills, (the photograph above shows one of our students in the schools purpose built flat).

Learning skills are applied through functional English and Mathematics, differentiated to the needs of the learners.

Our students are also able to take part in many activities provided by external providers, these include sailing, horse-riding and swimming. We are fortunate to have a good range of outdoor pursuit providers in very close proximity to the school. The students gain a lot from these experiences.



We also run lessons in horticulture, dance and we have a trained instructor who delivers the Forest schools programme, which all of our students really enjoy.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Pupils

The school currently has 100 pupils on role from 10 different local authorities. We have received a huge number of referrals for places this year and we are currently full for September 2025 and very few places left for September 2026, depending on conformation of funding.

Personnel

Historically the staff turnover has been quite low but this year we will be losing three teachers, one is retiring, one making a career change and another one for career progression. We do employ a number of agency staff who work as both teachers and Learning support assistants. In total we now employ 102 staff across the school and Post 19 college.

School improvements

The improvements to the site have been limited this year, we have replaced fences and had new boilers installed. We are awaiting a large area of ground to be resurfaced and utilised as a carpark for staff, this will hopefully include a covered bike area and some electric charging points.

Future Plans

The parking areas around the school are very worn and they will be resurfaced in the summer holiday and this will hopefully coincide with the resurfacing of the area in front of the school where the old school hall used to stand.

We had planned to upgrade a significant amount of IT in the year however this was not completed and therefore further IT upgrades will continue into 2025/26.

Employees

Both schools strive to be equal opportunities employers and apply objective criteria to assess merit. They aim to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Financial review

Results for the year

A summary of the year's results can be found on page 25 of this report and accounts.

The statement of financial activities shows net income (2024 – expenditure) and an increase in funds during the year of £153,892 (2024 – net decrease of £363,567) with total income amounting to £10,449,551 (2024 – £9,622,537) and expenditure totalling £10,295,659 (2024 – £9,986,104).

Total income includes £10,156,048 (2024 – £9,440,784) of education fees and related charges generated by the charity's educational establishments.

Other income includes donations and sundry income in the year.

Total expenditure comprises expenditure on the charity's schools and educational establishments of £ 10,295,659 (2024 – £9,986,104). The majority of expenditure relates to staff costs at the two schools which totalled £8,556,672 (2024 – £8,012,403).

Deducting expenditure from income for the year gives a net income figure for the year of £153,892 (2024 – net expenditure £363,567). One of the reasons for this change from the net expenditure in 2024 is due to both schools increasing fees in the 2025 year end.

Reserves policy and financial position

Reserves policy

The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to education, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet shows total reserves of £6,299,366 (2024 – £6,145,474).

Included in this figure was an amount of £628,400 (2024 – £657,492) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 13 to the accounts, together with an analysis of movements in the year.

The tangible fixed assets fund totals £1,606,377 (2024 – £1,765,792) and is represented by those tangible fixed assets not financed out of restricted funds.

The balance of general funds at 31 March 2025 was £4,064,589 (2024 – £3,722,190). These funds are deemed sufficient by the trustees being consistent with the reserves policy set out above.

Governance, structure and management

Governance

In terms of Civil law, the charity is governed by a trust deed dated 23 May 1983 and is a registered charity, Charity Registration No. 287232. The trustees of the charity are appointed by the Congregational Leader (the Congregational Leader is appointed in terms of canon law and is elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation). All trustees are members of the Congregation and have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees spend some time with those trustees leaving office. They also meet with the Congregation's Professional advisers in order to obtain a full briefing of their responsibilities and the charity's position. They have also attended appropriate study days.

During the year all or some of the trustees attended:

- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Trustee training sessions put on by Buzzacott Audit LLP and DE Ford, Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Governance, structure and management (continued)

Governance (continued)

Sister Rosemary Clerkin (Resigned 28th January 2025)

Sister Rosemary Clerkin entered the Congregation in November 1953. Having completed her Novitiate training she trained as a teacher at Notre Dame College of Education in Liverpool (1956–1958) and subsequently taught in St. Mary's School Pembroke Dock Wales (1958–1966). In 1968, having completed a Diploma in the Teaching of Maladjusted children & Young people at the Institute of Education, University College London, she taught for four years in St. Laurence's Home Office Approved School for girls in Frant Sussex.

She was appointed Principal of Allerton Priory School for Girls with Special Educational Needs.(1972–1978). Sister Rosemary was appointed to the Congregation's Formation Programme In 1990 and in 1990 became Superior of Sacred Heart Convent Dagenham. During this time she set up a Day Centre with Nursery for Refugees & Asylum seekers, since known as Harmony House. From 1996–2008 she was a member of the Leadership Team. Since then she has been a member of the Pield Heath community in Uxbridge, and more recently has moved into the Congregations Care Home, Marian House, in Uxbridge.

Sister Elizabeth Dawson

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

After completing her term of office in August 2014 Sister Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters. In March 2022 she was appointed Treasurer General for the Congregation and returned to live in the Chigwell Community.

Governance, structure and management (continued)

Governance (continued)

Sister Mary Cathie MacInnes

Sister Mary Cathie entered the Congregation in the year 2000 from the island of Eriskay in the Western Isles. Before joining the Congregation Sister Mary Cathie worked in the retail business and on the domestic care side of the local Hospital. In 2000 when she left the Western Isles she worked in Pield Heath Special School, gaining experience in teaching youngsters with special educational needs. In 2003 Sister Mary Cathie attended Uxbridge College where she attained a PCET in 2005 for her future role teaching Post 16 adults with Special Educational Needs. In 2006, Sister Mary Cathie was then missioned to Zambia where she opened a Unit for Post 16 Adults with Educational Needs and later in 2009 she became a Director of the Pastoral Needs of the School. In 2013 Sister Mary Cathie returned to the UK to fulfil a pastoral role in a parish in the East End of London until 2015. In 2015 she joined the Community in the Congregation's House of Prayer in North Wales where she continues her pastoral care in the local community and is involved in the running of the House of Prayer.

Sister Julie Rose

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the 2 Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of both special schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

Governance, structure and management (continued)

Trustees' responsibilities (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the Headteachers of the schools, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The pay of the Headteachers of the schools is reviewed by the governors and is based on the school Teachers Pay and Conditions Document and Statutory Regulations affecting the employment and conduct of teaching staff, and for associate staff the National Joint Council for Local Government Services Terms and Conditions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the senior staff and Governors.

Governance, structure and management (continued)

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster and Brentwood;
- ◆ Local Authorities where the schools are situated;
- ◆ National Association of Special Schools;
- ◆ "Network" safeguarding group of religious Congregations.

Public Benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

"There are two things in life, Jesus Christ and the poorest of God's people"

The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The main area in which the charity has provided public benefit is in its educational activities. While the Congregation is no longer able to provide teaching by Sisters in the UK, the work of our schools, all focused on pupils with special needs, continues to produce excellent results. All pupils are assessed by Local Authorities.

Both schools maintain a Catholic ethos, whilst welcoming pupils from all faiths and religious backgrounds. Members of the Congregation, all with many years of specialist experience, voluntarily serve on the schools' boards of governors, providing guidance and assistance as required.

One Sister was Executive Principal of the two schools (until 31 March 2022) and attended all Governors' meetings, interviews and deals with all legal matters pertaining to employment and training of staff. She reported to the trustees every three months. This Sister became the Congregational Leader and trustee on the 2 February 2022 and is still attending all Governors meetings along with other sisters from the Congregation who sit on the board of Governors of both schools and are able to report back to the trustees.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place.

Governance, structure and management (continued)

Risk management (continued)

The trustees have identified the following main areas of risk which may impact on the charity:

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. We have a trustee who has comprehensive training in all matters pertaining to safeguarding.

Financial

- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the charity should it be the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in the schools the highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ Ofsted carry out inspections of the schools at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Governance, structure and management (continued)

Risk management (continued)

Operational (continued)

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2025 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the charity during the year to 31 March 2025. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2025.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation who are involved with the schools. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved by the trustees on: 1 September 2025

Independent auditor's report to the trustees of The Sacred Hearts Sisters 1983 Charitable Fund

Opinion

We have audited the accounts of The Sacred Hearts Sisters 1983 Charitable Fund (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Accounts, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 14 to 15, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

29 September 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Income from:							
Donations and legacies	1	25,131	6,666	31,797	6,167	10,637	16,804
Bank interest		53,002	—	53,002	34,000	—	34,000
Charitable activities							
. Provision of education	2	9,479,509	676,539	10,156,048	8,963,692	477,092	9,440,784
Other sources							
. Surplus on disposal of fixed assets		4,424	—	4,424	6,547	—	6,547
. Miscellaneous income	3	196,510	7,770	204,280	102,421	21,981	124,402
Total income		9,758,576	690,975	10,449,551	9,112,827	509,710	9,622,537
Expenditure on:							
Charitable activities							
. Provision of education	4	9,575,592	720,067	10,295,659	9,383,355	602,749	9,986,104
Total expenditure		9,575,592	720,067	10,295,659	9,383,355	602,749	9,986,104
Net income (expenditure) and net movement in funds	7	182,984	(29,092)	153,892	(270,528)	(93,039)	(363,567)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2024		5,487,982	657,492	6,145,474	5,758,510	750,531	6,509,041
Fund balances carried forward at 31 March 2025		5,670,966	628,400	6,299,366	5,487,982	657,492	6,145,474

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities in the above two financial periods derived from continuing operations.

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	10		2,153,499		2,347,692
Current assets					
Debtors	11	488,378		578,189	
Cash at bank and in hand		4,481,159		<u>3,636,306</u>	
		4,969,537		4,214,495	
Liabilities:					
Creditors: amounts falling due within one year	12	(823,670)		<u>(416,713)</u>	
Net current assets			4,145,867		3,797,782
Total net assets			<u>6,299,366</u>		<u>6,145,474</u>
The funds of the charity					
Restricted funds	13		628,400		657,492
Unrestricted funds					
. Tangible fixed assets fund	14	1,606,377		1,765,792	
. General fund		4,064,589		<u>3,722,190</u>	
			5,670,966		5,487,982
			<u>6,299,366</u>		<u>6,145,474</u>

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved on: 1 September 2025

Statement of cash flows Year to 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net cash provided (used in) by operating activities	A	898,670	(86,950)
Cash flows from investing activities:			
Interest received		53,002	34,000
Purchase of tangible fixed assets		(111,919)	(148,819)
Proceeds from disposal of fixed assets		5,100	6,549
Net cash used in investing activities		(53,817)	(108,270)
Change in cash and cash equivalents in the year		844,853	(195,220)
Cash and cash equivalents at 1 April 2024	B	3,636,306	3,831,526
Cash and cash equivalents at 31 March 2025	B	4,481,159	3,636,306

Notes to the statement of cash flows for the year to 31 March 2025.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	153,892	(363,567)
Adjustments for:		
Depreciation charge	308,436	327,673
Bank interest	(53,002)	(34,000)
Net (surplus) loss on disposal of tangible fixed assets	(4,424)	(6,547)
Decrease (increase) in debtors	86,811	(30,399)
Increase in creditors	406,957	19,890
Net cash provided by (used in) operating activities	898,670	(86,950)

B Analysis of net debt i.e. cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	4,481,159	3,636,306
Total cash and cash equivalents	4,481,159	3,636,306

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2025 with comparative information provided in respect to the year to 31 March 2024.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Undoubtedly, the macroeconomic climate means that there will be challenges ahead but the trustees and governors do not expect material concerns to arise over the charity's financial position or going concern.

The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, investment income and interest receivable, income from charitable activities and other income including the surplus on the disposal of tangible fixed assets and other property.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises fees and related charges for the provision of education. In addition to fees and related charges in respect to the provision of education, the charity's two schools receive grants from the Department for Education and other trusts and foundations.

Income derived from the levying of fees and charges for the provision of education is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of education. Such costs included in providing education at the charity's two schools for children with special needs include:-

- ◆ Teaching costs i.e. the cost of teaching and support staff salaries, including pensions and national insurance contribution, educational needs such as books and learning resources and activities.
- ◆ Welfare costs i.e. all domestic costs associated with the schools including employment costs, consumables and catering costs.
- ◆ Premises costs i.e. all costs associated with the premises, grounds and estate belonging to the charity and used for the purposes of education.
- ◆ Administration costs i.e. the costs which are directly attributable to the management of the charity's assets and organisational procedures.

All expenditure is stated inclusive of irrecoverable VAT. As of the 1st January 2025 the charity became VAT registered.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

Tangible fixed assets are capitalised and included at cost, including any incidental expenses of acquisition and are depreciated over their useful economic lives as follows:

- ◆ **Other freehold land and buildings**

The original land and buildings were financed and provided by the Congregation and as such the assets were transferred to the Sisters of the Sacred Hearts of Jesus and Mary CIO on 31 March 2019. Expenditure to adapt and improve the buildings and which has been financed directly by the schools is capitalised in these accounts. Such improvements are depreciated at between 2% and 10% per annum.

The specialist cycle track at Pield Heath House School is depreciated at 5% per annum (i.e. over 20 years) on a straight line basis.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

- ◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a three to five year period on a straight line basis.

- ◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the schools and homes fund.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

For the purpose of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation who are trustees.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Donations	21,973	6,666	28,639	6,167	10,637	16,804
Legacies	3,158	—	3,158	—	—	—
Total funds	25,131	6,666	31,797	6,167	10,637	16,804

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Provision of education						
Education fees and charges	7,507,299	—	7,507,299	6,973,692	—	6,973,692
Grants, contracts and agreements						
.. Department for Education						
.. Base Funding	1,972,210	—	1,972,210	1,990,000	—	1,990,000
.. Capital improvements grant	—	18,024	18,024	—	44,802	44,802
.. Conditions grant	—	66,090	66,090	—	39,761	39,761
.. Covid Catch up Premium	—	9,309	9,309	—	35,174	35,174
.. Early Careers Grant	—	—	—	—	945	945
.. Covid Tutoring Grant	—	1,858	1,858	—	8,137	8,137
.. Covid Recovery Premium	—	8,571	8,571	—	41,124	41,124
.. Teachers' Pension Grant	—	124,568	124,568	—	42,847	42,847
.. PE Grant	—	17,320	17,320	—	20,837	20,837
.. Teachers' Pay Grant	—	365,125	365,125	—	169,556	169,556
.. Pupil Premium	—	65,674	65,674	—	73,909	73,909
	1,972,210	676,539	2,648,749	1,990,000	477,092	2,467,092
Total funds	9,479,509	676,539	10,156,048	8,963,692	477,092	9,440,784

3 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Insurance claims	100,000	—	100,000	—	—	—
Other miscellaneous income	96,510	7,770	104,280	102,421	21,981	124,402
Total funds	196,510	7,770	204,280	102,421	21,981	124,402

4 Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Teaching	7,319,261	633,998	7,953,259	6,915,493	516,403	7,431,896
Welfare	557,605	33,515	591,120	588,454	40,823	629,277
Premises (including depreciation)	1,059,288	52,554	1,111,842	1,055,974	45,032	1,101,006
Management of the schools	601,651	—	601,651	771,674	491	772,165
Allocation of support costs (note 5)	37,787	—	37,787	51,760	—	51,760
Total funds	9,575,592	720,067	10,295,659	9,383,355	602,749	9,986,104

5 Support costs

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Legal and professional fees	393	—	393	2,040	—	2,040
Governance costs (note 6)	30,300	—	30,300	42,780	—	42,780
Miscellaneous expenditure	7,094	—	7,094	6,940	—	6,940
Total funds	37,787	—	37,787	51,760	—	51,760

6 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Total funds:						
Professional fees	30,300	—	30,300	42,780	—	42,780

7 Net income (expenditure) and net movement in funds

This is stated after charging:

	Total 2025 £	Total 2024 £
Staff costs (note 8)	8,556,672	8,012,403
Auditor's remuneration:		
· Statutory audit – overall accounts	3,925	4,500
· Non-statutory audit – schools	23,075	38,280
· Other (VAT advice)	3,300	—
Depreciation	308,436	327,673
Operating lease rentals	45,829	40,181

8 Staff costs and remuneration of key management

	2025 £	2024 £
Staff costs during the year were as follows:		
Wages and salaries	5,873,680	5,650,452
Social security costs	561,823	530,697
Other pension costs	764,659	617,524
	7,200,162	6,798,673
Payments to agency staff	1,340,155	1,196,453
Apprenticeship levy	16,355	17,277
	8,556,672	8,012,403

Payments to agency staff reflect the cost of supply teaching staff and specialist therapy staff used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2025 £	2024 £
Staff costs per function were as follows:		
Provision of education	8,556,672	8,012,403

8 Staff costs and remuneration of key management (continued)

Details of employees who earned over £60,000 in the year (excluding employer's pension contributions but including taxable benefits) are as follows:

	2025 No.	2024 No.
£60,001 - £70,000	5	5
£70,001 - £80,000	5	4
£80,001 - £90,000	—	1
£90,001 - £100,000	2	—
	12	10

Employer's pension contributions into the defined benefit scheme for the above employees totalled £232,067 (2024 - £152,231).

The average number of employees, analysed by function, was:

	2025 No.	2024 No.
Provision of education	194	195

During the year, the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprised the trustees and Headteachers of the schools. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £258,918 (2024 - £238,123).

No trustee received any remuneration in respect to their services during the year (2024 - £nil) nor any reimbursements of expenses (2024 - £nil).

9 Taxation

The Sacred Hearts Sisters 1983 Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold building improvements £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2024	4,519,170	844,885	162,673	5,526,728
Additions	53,477	19,355	42,087	114,919
Disposals	—	(7,157)	(58,584)	(65,741)
At 31 March 2025	4,572,647	857,083	146,176	5,575,906
Depreciation				
At 1 April 2024	2,317,461	698,909	162,666	3,179,036
Charge for the year	225,393	74,714	8,329	308,436
On disposals	—	(6,483)	(58,582)	(65,065)
At 31 March 2025	2,542,854	767,140	112,413	3,422,407
Net book values				
At 31 March 2025	2,029,793	89,943	33,763	2,153,499
At 31 March 2024	2,201,709	145,976	7	2,347,692

10 Tangible fixed assets (continued)

The freehold to the original land and buildings which are occupied by the Schools is held by The Sisters of the Sacred Hearts of Jesus and Mary CIO. As a consequence, the original land and buildings are not included on the balance sheet of the charity.

11 Debtors

	2025 £	2024 £
Education fees and charges	398,264	472,211
Prepayments and accrued income	88,509	103,547
Other debtors	1,605	2,431
	488,378	578,189

12 Creditors: amounts falling due within one year

	2025 £	2024 £
Social security and other taxes	350,347	64,679
Accruals and deferred income	265,361	46,971
Expense creditors	201,003	284,139
Other creditors	6,959	20,924
	823,670	416,713

Included within accruals and deferred income above are the following deferred income balances which represent school fees for the following period invoiced in advance:

	2025 £	2024 £
Deferred income at 1 April	—	—
Amount deferred in the year	162,981	—
Deferred income at 31 March	162,981	—

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
Capital grants fund	243,903	18,024	(46,688)	215,239
St John's R.C. Special School development fund	19,379	—	(3,419)	15,960
Pield Heath House School appeal fund	29,168	—	(2,713)	26,455
Pield Heath House School cycle track and mobility training centre fund	131,931	—	(13,193)	118,738
Other restricted funds	233,111	672,951	(654,054)	252,008
	657,492	690,975	(720,067)	628,400

13 Restricted funds (continued)

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
<i>Capital grants fund</i>	252,703	44,802	(53,602)	243,903
<i>St John's R.C. Special School development fund</i>	22,798	—	(3,419)	19,379
<i>Pield Heath House School appeal fund</i>	87,175	—	(58,007)	29,168
<i>Pield Heath House School cycle track and mobility training centre fund</i>	145,124	—	(13,193)	131,931
<i>Other restricted funds</i>	242,731	464,908	(474,528)	233,111
	<u>750,531</u>	<u>509,710</u>	<u>(602,749)</u>	<u>657,492</u>

The specific purposes for which the funds are to be applied are as follows:

♦ Capital grants fund

This fund represented the liability of the trustees to repay to Government Departments any grants made from public funds towards the capital costs of buildings, additions or improvements thereto, such grants being subject to an undertaking to repay in the event of the asset ceasing to be used for the purpose for which the grant was made.

♦ St John's R.C. Special School development fund

This fund was established in 1994 to raise monies to enhance the development of St John's School.

♦ Pield Heath House School appeal fund

This fund was established as a separate fund on 3 November 1988. The fund consists of monies donated to the appeal specifically set up to raise and manage funds required to finance the redevelopment and maintenance of the school buildings, and any other improvements, which from time to time may be necessary. Appeal funds may also be used for any purpose connected with the school, its equipment and pupils, at the discretion of the appeal committee.

In the event that the appeal fund is dissolved for any reason, any assets remaining shall be given to the school for its general purposes.

In the event that the premises no longer function as a school, the monies may be used at the discretion of the trustees of the Sacred Hearts Sisters 1983 Charitable Fund.

Transfers from the fund represent expenditure on tangible fixed assets. When the asset is purchased, an amount equal to its cost is released to unrestricted funds.

♦ Pield Heath House School cycle track and mobility training centre fund

This fund represents the net book value of the specialist cycle track and mobility training centre at Pield Heath House School, Hillingdon, Middlesex which was constructed by Hillingdon Council with support from TfL and Marathon Trust.

♦ Other restricted funds

These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes and schools.

14 Tangible fixed assets fund

	Total 2025 £	Total 2024 £
At 1 April 2024	1,765,792	1,926,612
Net movement in year	(159,415)	(160,820)
At 31 March 2025	1,606,377	1,765,792

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the schools and home fund. A decision was made to separate this fund from the other funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

15 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2025 £
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	—	1,606,377	547,122	2,153,499
Net current assets	4,064,589	—	81,278	4,145,867
Total net assets	4,064,589	1,606,377	628,400	6,299,366

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2024 £
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	1,765,792	581,900	2,347,692
Net current assets	3,722,190	—	75,592	3,797,782
Total net assets	3,722,190	1,765,792	657,492	6,145,474

16 Pension commitments

Retirement benefits for teachers are provided by a defined benefit scheme, the Teachers' Pension Scheme (TPS) and to other staff by a defined contribution scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments. Membership is automatic for teachers at eligible institutions. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- ◆ Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.

16 Pension commitments (continued)

- ◆ Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation were implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer contributions payable to the Scheme for the year were £630,592 (2024 - £492,305).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (teacherspensions.co.uk).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above, the information available on the scheme.

17 Operating lease commitments

At 31 March 2025, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2025	2024
	£	£
Operating lease payments due:		
. Within one year	34,681	39,395
. One to two years	29,833	18,483
. Two to five years	38,538	39,725
	103,052	97,603

18 Related party transactions

Certain of the trustees of the Charitable Trust are also trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO, (Charity Registration Number: 1179804).

During the year the Charitable Trust paid the CIO £6,959 (2024 - £6,884) towards staffing costs borne by the CIO in administering the Charitable Trust. The Charitable Trust paid the CIO £145,000 (2024 - £151,000) in the year as a rental for the two schools' buildings occupied under licence by the Charitable Trust.

There were no other related party transactions during the year which require disclosure (2024 - none).

19 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

20 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees. The Congregation within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity or the Sisters of the Sacred Hearts of Jesus and Mary CIO, who undertake all transactions entered into in the course of the Congregation's charitable activities in the United Kingdom.

21 Post balance sheet events

Following the year end, there were no post balance sheet events requiring disclosure in the financial statements (2024 – Pield Heath House School received confirmation from its insurers that it would receive £100k from its insurers in relation to losses incurred in 2021/22).

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales - Charity number 287232

Accounts

**The Sacred Hearts
Sisters 1983
Charitable Fund**

Annual Report and Accounts

31 March 2024

Charity Registration Number
287232

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Rosemary Clerkin Sister Kathleen Corbett Sister Elizabeth Dawson Sister Mary Catherine Macinnes Sister Julie Rose
The General Treasurer	Sister Elizabeth Dawson
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	287232
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG
Insurance Brokers	PIB Insurance Brokers Limited Poppleton Grange Low Poppleton Lane York YO26 6GZ

The trustees present their statutory report together with the accounts of the Sacred Hearts Sisters 1983 Charitable Fund (the charity) for the year ended 31 March 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 31 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Statement of Recommended Practice on "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)".

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 101 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

"Joyful co-creators sharing God's unconditional love in our wounded world"

"We, the Sisters of the Sacred Hearts of Jesus and Mary,

urged by the compassion of Christ

and responsive to the anguish of Peoples and Planet,

are called to help shape Communities

of Gentleness, Justice and Peace

that witness to the healing, liberating and empowering

love of God."

Mission

The Sacred Hearts Sisters 1983 Charitable Trust continues to support the main activity of education and running two schools, St John's Special School, Chigwell and Pield Heath House School, Uxbridge.

Activities, achievements, specific objectives and relevant policies

Education

The trustees are responsible for both schools providing education and care of pupils with special needs. Both schools throughout the year, following on from last year, continue to have discussions with external partners, local diocese and the Catholic Education Service in terms of future governance and leadership.

Pield Heath House School, Uxbridge

Pield Heath House School is a non-maintained, co-educational school for young people with special educational needs between the ages of 7 and 19 years, recognised by the Department for Education and under the trusteeship of The Sacred Hearts Sisters 1983 Charitable Fund.



The school offers day, residential and respite provision to young people with moderate to severe learning difficulties, autistic spectrum disorders and associated speech, language and communication difficulties within a warm and caring environment where daily life is underpinned by Christian principles.

Since its foundation in 1901, Pield Heath House School has helped young people with learning difficulties to develop their full potential. They have a highly skilled and deeply committed team that prides itself on providing a holistic approach to education, within a caring, spiritual environment where every young person is of equal importance, valued for what they are and encouraged to reach their maximum potential. The staff are passionate in their work with the young people to encourage their progress, celebrate their achievements and inspire confidence in their futures, in close partnership with parents and carers. The school's main purpose is to maximise students' life experience to enable their independence and inclusion in the wider community.

During the financial year 2023-24 the number of students reduced from 100 in September 2023 to 98 in March 2024 due to relocation and a student leaving due to medical reasons. The majority of students continue to come from Hillingdon Local Authority. All students have an Education Health and Care Plan which outlines their needs and the provision required to meet those individual needs. Students' needs range from moderate to severe and complex learning needs and difficulties in speech language and communication and sensory processing needs. Students referred are increasingly complex in need requiring staff with specialised knowledge and experience and an increase in the number of support staff required.

As of 31 March 2024, students attending the school came from the following Local Authorities:

Barnet	Brent	Bucks	Hertfordshire	Harrow	Hillingdon	Hounslow	Slough	Other
2	4	2	2	6	63	13	4	2

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)



The school continues to offer a broad and balanced curriculum. The Curriculum Intent is to “Prepare for life beyond school” and the three curriculum pathways are designed to lead to each pupil’s most likely destination when they leave. Pathway 1 or the pre-formal curriculum, for those with most complex needs, Pathway 2 or semi-formal curriculum for those who need a mixture of developmental and formal curricula and Pathway 3 or formal curriculum for those who are likely to move on to training and employment.

Staff have devised assessment frameworks to complement these and the use of Evidence for Learning, an application to track the progress of children and young people towards outcomes as set out in their Education, Health and Care Plans (EHCPs). The applications parent portal facilitates engagement with families which continues to improve since its introduction. Students achieve accreditation in ASDAN Transition Challenge, ASDAN Bronze Award, Functional Skills Entry Level OCR 1, 2 or 3 and Art Entry Level Exams. The school uses Positive Behaviour Support (PBS), a values-led, person-centred approach that seeks to understand behaviours and change systems and culture. ‘The Thrive Approach’, a social and emotional assessment and intervention programme continues to inform EHCP. The school employs a full-time occupational therapist and a speech therapist, and has capacity for 2 OT’s and 3 Speech and Language Therapists.

Pathway 2 and 3 students continue to develop important vocational and transferable work-based skills.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)



Students value their work placements at The Well, the school Community Café and look forward to developing their employability skills during their allocated times serving the school customers.

Students are encouraged and supported to understand sustainability which is a key element across the curriculum and the school's newly formed Eco Committee encourages many of the cross-curriculum projects involving recycling of materials, home growing and handmade items.

Pathway three students attend successful work experience in the hospitality department at Brunel University and attend external college links, in preparation for their transition to Post 19.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

Personnel

A review of the administration and operations started in July 2024. The purpose of this consultation process was to review cost effectiveness and enhanced financial procedures within a more sustainable financial model.

The Data Administrator and Facilities Manager roles were made redundant and a School Administrator was appointed in October 2023. In September 2023 a caretaker was appointed and a Finance Officer in January 2023.

The new structure included the appointment of a Finance Manager and an Operations Manager in the place of the School Business Manager.

The school continues to rely heavily on supply for support staff. A few supply staff have been appointed permanently. An Assistant Principal and an English Lead were also appointed.

School improvements

- ◆ New external gates which enables controlled community access to the Cycle Track were installed. This also provided restricted access by students to the area for the deliveries to school.
- ◆ Carpets were replaced in one classroom as part of a longer-term plan to improve classroom environment.
- ◆ Fire Doors were replaced as part of the Health and Safety Plan
- ◆ The kitchenette in the Sixth Form was re-purposed and refurbished as the new temporary "Well Community Café"
- ◆ Informal curriculum was reviewed and Attention Autism and Sensory Story book training with teachers took place.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

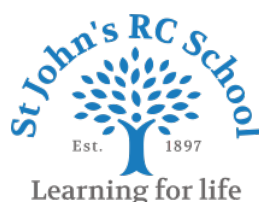
Pield Heath House School, Uxbridge (continued)

Future Plans

- ◆ To review impact of restructure and monitoring of finance processes and control
- ◆ To explore the potential of a model for commissioning student places with Local Authorities
- ◆ To develop links with LA's to explore potential of developing the residential provision
- ◆ Reduce reliance on supply agencies for support staff through recruitment



St John's Special School, Chigwell



St John's RC School is a non-maintained special school offering day provision for pupils aged 5 to 19 with a wide range of needs including moderate to severe learning difficulties, autistic spectrum disorder (ASD) and those with associated speech, language and communication difficulties. The school continues to be very popular with parents and Local Education Authorities (LEAs), with 99 pupils on roll. Based in Woodford Green, Essex the school has students from across the county as well as the London Boroughs. Although a Roman Catholic school, St John's welcomes pupils from all faiths and backgrounds.

Since September 2015, St John's has been in partnership with New City College and provides a 19-25 provision for those students who are not quite ready for mainstream

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

college aiming to bridge this gap by meeting their individual needs. The post-19 provision continues to be very successful.

St John's continues to be a very popular school with parents and local authorities with 100 pupils on role. The School caters for the educational needs of pupils with moderate to severe learning difficulties relating to communication and behaviour.

The number of students with language and communication difficulties is still increasing and we have a large percentage of students with Autism and downs syndrome.

Currently the following local Education Authorities (LEAs) place children at St John's:

Redbridge	Enfield	Newham	Waltham Forest	Tower Hamlets	Hackney	Essex	Other
47	10	6	15	9	3	4	4

Progress

The School continues to offer a broad and balanced curriculum, which meets the needs of our young people and promotes preparation for adulthood. The curriculum is very diverse and offers a range of subjects that are delivered in such a way that students can experience success and enjoyment whilst learning important life skills.

We like the students to experience activities off site as well as on the premises trying to make the best use of our outdoor spaces. We have been very lucky in the past two years having the use of a tennis coach provided free from Essex county council for one day a week. We continue to offer horticulture as part of the curriculum and our Forest schools is proving very popular with all of the students.

The school still uses Lambourne end centre for outdoor learning where the students take part in the food for thought programme of study as well as having taster sessions in animal husbandry.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Progress (continued)

The sailing at Fairlop waters is equally as popular and this year all of the key stage 4 and 5 students have been given the opportunity to experience sailing or canoeing.

The students below are working outside collecting soil from the compost, sieving the soil ready to plant vegetables. The photograph below shows one of the students preparing the vegetables in Food Technology that have been ground in the school garden.

The sixth form students who follow the more formal curriculum have all completed their BTEC accreditation and the formal curriculum students in key stage 4 completed their Asdan and AQA awards.

The students below are working at Lambourne end activity centre, they are encouraged to work with the livestock and all the students take part in the "Food for thought ", programme of study, which involves them preparing the ground for growing fruit and vegetables.

Sometimes they just have fun in the activity areas.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Pupils

The school currently has 98 pupils on role from 11 different local authorities. We receive a number of referrals throughout the year and we are currently full for September 2024, depending on confirmation of funding. We have a number of referrals for placements on a daily basis but obviously as we are currently at capacity we have a waiting list of pupils wishing to attend the school.

Personnel

The staff turnover continues to remain quite low, we have a few members of staff retiring this year but have successfully recruited replacements. We do still rely heavily on agency staff to cover staff absences both planned and unplanned but this does frequently work in our favour as we offer permanent positions to those staff who work well with our students and staff.

In total we now employ 105 staff across the school and Post 19 college.

School improvements

We haven't undertaken any major improvements this year other than decorating some areas of the school

Future Plans

The School continues to develop and invest in facilities, buildings and people. This requires financial resources and so the trustees, governors and senior management are content with the level of free reserves which they consider adequate but not excessive.

The school computers are now quite old and we are in the process of revamping all of the PCs this is a big under taking and is a major and necessary investment that needs to be made by the school. The school server will potentially also require updating in the near future.

Employees

Both schools strive to be equal opportunities employers and apply objective criteria to assess merit. They aim to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Financial review

Results for the year

A summary of the year's results can be found on page 24 of this report and accounts.

The statement of financial activities shows net expenditure and a decrease in funds during the year of £363,567 (2023 – net decrease of £63,418) with total income amounting to £9,622,537 (2023 – £9,290,641) and expenditure totalling £9,986,104 (2023 – £9,354,059).

Total income includes £9,440,784 (2023 – £9,224,216) of education fees and related charges generated by the charity's educational establishments.

Other income includes donations and sundry income in the year.

Total expenditure comprises expenditure on the charity's schools and educational establishments of £9,986,104 (2023 – £9,354,059). The majority of expenditure relates to staff costs at the two schools which totalled £8,012,403 (2023 – £7,447,609).

Deducting expenditure from income for the year gives a net expenditure figure for the year of £363,567 (2023 – net expenditure £63,418). One of the reasons for this deficit in the year relates to the increase in staff costs, it is hoped that a restructure of staffing at Pield Heath House School during 2023-2024 and a 12.5% increase in fees will help to avoid a deficit in the year ahead.

Reserves policy and financial position

Reserves policy

The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to education, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet shows total reserves of £6,145,474 (2023 – £6,509,041).

Included in this figure was an amount of £657,492 (2023 – £750,531) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 13 to the accounts, together with an analysis of movements in the year.

The tangible fixed assets fund totals £1,765,792 (2023 – £1,926,612) and is represented by those tangible fixed assets not financed out of restricted funds.

The balance of general funds at 31 March 2024 was £3,722,190 (2023 – £3,831,898). These funds are deemed sufficient by the trustees being consistent with the reserves policy set out above.

Governance, structure and management

Governance

In terms of Civil law, the charity is governed by a trust deed dated 23 May 1983 and is a registered charity, Charity Registration No. 287232. The trustees of the charity are appointed by the Congregational Leader (the Congregational Leader is appointed in terms of canon law and is elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation). All trustees are members of the Congregation and have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees spend some time with those trustees leaving office. They also meet with the Congregation's Professional advisers in order to obtain a full briefing of their responsibilities and the charity's position. They have also attended appropriate study days..

During the year all or some of the trustees attended:

- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Trustee training sessions put on by Buzzacott LLP and DE Ford, Insurance Brokers Limited

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Governance, structure and management (continued)

Governance (continued)

Sister Rosemary Clerkin

Sister Rosemary Clerkin entered the Congregation in November 1953. Having completed her Novitiate training she trained as a teacher at Notre Dame College of Education in Liverpool (1956–1958) and subsequently taught in St. Mary's School Pembroke Dock Wales (1958–1966). In 1968, having completed a Diploma in the Teaching of Maladjusted children & Young people at the Institute of Education, University College London, she taught for four years in St. Laurence's Home Office Approved School for girls in Frant Sussex.

She was appointed Principal of Allerton Priory School for Girls with Special Educational Needs (1972–1978). Sister Rosemary was appointed to the Congregation's Formation Programme in 1990 and in 1990 became Superior of Sacred Heart Convent Dagenham. During this time she set up a Day Centre with Nursery for Refugees & Asylum seekers, since known as Harmony House. From 1996–2008 she was a member of the Leadership Team. Since then she has been a member of the Field Heath community in Uxbridge, where she continues research into the Congregation's history.

Sister Elizabeth Dawson

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

After completing her term of office in August 2014 Sister Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters. In March 2022 she was appointed Treasurer General for the Congregation and returned to live in the Chigwell Community.

Governance, structure and management (continued)

Governance (continued)

Sister Mary Cathie MacInnes

Sister Mary Cathie entered the Congregation in the year 2000 from the island of Eriskay in the Western Isles. Before joining the Congregation Sister Mary Cathie worked in the retail business and on the domestic care side of the local Hospital. In 2000 when she left the Western Isles she worked in Pield Heath Special School, gaining experience in teaching youngsters with special educational needs. In 2003 Sister Mary Cathie attended Uxbridge College where she attained a PCET in 2005 for her future role teaching Post 16 adults with Special Educational Needs. In 2006, Sister Mary Cathie was then missioned to Zambia where she opened a Unit for Post 16 Adults with Educational Needs and later in 2009 she became a Director of the Pastoral Needs of the School. In 2013 Sister Mary Cathie returned to the UK to fulfil a pastoral role in a parish in the East End of London until 2015. In 2015 she joined the Community in the Congregation's House of Prayer in North Wales where she continues her pastoral care in the local community and is involved in the running of the House of Prayer as a member of a Team of 6.

Sister Julie Rose

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the 2 Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of both special schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

Governance, structure and management (continued)

Trustees' responsibilities (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the Headteachers of the schools, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The pay of the Headteachers of the schools is reviewed by the governors and is based on the school Teachers Pay and Conditions Document and Statutory Regulations affecting the employment and conduct of teaching staff, and for associate staff the National Joint Council for Local Government Services Terms and Conditions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the senior staff and Governors.

Governance, structure and management (continued)

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster and Brentwood;
- ◆ Local Authorities where the schools are situated;
- ◆ National Association of Special Schools;
- ◆ “Network” safeguarding group of religious Congregations.

Public Benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“There are two things in life, Jesus Christ and the poorest of God’s people”

The main area in which the charity has provided public benefit is in its educational activities. While the Congregation is no longer able to provide teaching by Sisters in the UK, the work of our schools, all focused on pupils with special needs, continues to produce excellent results. All pupils are assessed by Local Authorities.

Both schools maintain a Catholic ethos, whilst welcoming pupils from all faiths and religious backgrounds. Members of the Congregation, all with many years of specialist experience, voluntarily serve on the schools’ boards of governors, providing guidance and assistance as required.

One Sister was Executive Principal of the two schools (until 31 March 2022) and attended all Governors’ meetings, interviews and deals with all legal matters pertaining to employment and training of staff. She reported to the trustees every three months. This Sister became the Congregational Leader and trustee on the 2 February 2022 and is still attending all Governors meetings to be able to report back to the remaining trustees.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place.

Governance, structure and management (continued)

Risk management (continued)

The trustees have identified the following main areas of risk which may impact on the charity:

- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. We have a trustee who has comprehensive training in all matters pertaining to safeguarding.

Financial

- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the charity should it be the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in the schools the highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ Ofsted carry out inspections of the schools at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Governance, structure and management (continued)

Risk management (continued)

Operational (continued)

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2024 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the charity during the year to 31 March 2024. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2024.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation who are involved with the schools. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved by the trustees on: 18 December 2024

Independent auditor's report to the trustees of The Sacred Hearts Sisters 1983 Charitable Fund

Opinion

We have audited the accounts of The Sacred Hearts Sisters 1983 Charitable Fund (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Accounts, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 14 to 15, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 20 December 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Income from:							
Donations and legacies	1	6,167	10,637	16,804	5,349	5,083	10,432
Bank interest		34,000	—	34,000	—	—	—
Charitable activities							
. Provision of education	2	8,963,692	477,092	9,440,784	8,767,197	457,019	9,224,216
Other sources							
. Surplus on disposal of fixed assets		6,547	—	6,547	—	—	—
. Miscellaneous income	3	102,421	21,981	124,402	46,075	9,918	55,993
Total income		9,112,827	509,710	9,622,537	8,818,621	472,020	9,290,641
Expenditure on:							
Charitable activities							
. Provision of education	4	9,383,355	602,749	9,986,104	8,919,813	434,246	9,354,059
Total expenditure		9,383,355	602,749	9,986,104	8,919,813	434,246	9,354,059
Net (expenditure) income and net movement in funds	7	(270,528)	(93,039)	(363,567)	(101,192)	37,774	(63,418)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2023		5,758,510	750,531	6,509,041	5,859,702	712,757	6,572,459
Fund balances carried forward at 31 March 2024		5,487,982	657,492	6,145,474	5,758,510	750,531	6,509,041

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities in the above two financial periods derived from continuing operations.

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	10		2,347,692		2,531,065
Current assets					
Debtors	11	578,189		548,840	
Cash at bank and in hand		3,636,306		<u>3,831,526</u>	
		4,214,495		<u>4,380,366</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	(416,713)		<u>(402,390)</u>	
Net current assets			3,797,782		3,977,976
Total net assets			<u>6,145,474</u>		<u>6,509,041</u>
The funds of the charity					
Restricted funds	13		657,492		750,531
Unrestricted funds					
. Tangible fixed assets fund	14	1,765,792		1,926,612	
. General fund		3,722,190		<u>3,831,898</u>	
			5,487,982		<u>5,758,510</u>
			<u>6,145,474</u>		<u>6,509,041</u>

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved on: 18 December 2024

Statement of cash flows Year to 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(86,950)	517,485
Cash flows from investing activities:			
Interest received		34,000	—
Purchase of tangible fixed assets		(148,819)	(266,876)
Proceeds from disposal of fixed assets		6,549	—
Net cash used in investing activities		(108,270)	(266,876)
Change in cash and cash equivalents in the year		(195,220)	250,609
Cash and cash equivalents at 1 April 2023	B	3,831,526	3,580,917
Cash and cash equivalents at 31 March 2024	B	3,636,306	3,831,526

Notes to the statement of cash flows for the year to 31 March 2024.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	(363,567)	(63,418)
Adjustments for:		
Depreciation charge	327,673	350,559
Bank interest	(34,000)	—
Net (surplus) loss on disposal of tangible fixed assets	(6,547)	11,946
(Increase) decrease in debtors	(30,399)	469,215
Increase (decrease) in creditors	19,890	(250,817)
Net cash (used in) provided by operating activities	(86,950)	517,485

B Analysis of net debt i.e. cash and cash equivalents

	2023 £	2023 £
Cash at bank and in hand	3,636,306	3,831,526
Total cash and cash equivalents	3,636,306	3,831,526

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2024 with comparative information provided in respect to the year to 31 March 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts, including amounts due from the London Borough of Hillingdon relating to prior accounting periods;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, investment income and interest receivable, income from charitable activities and other income including the surplus on the disposal of tangible fixed assets and other property.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises fees and related charges for the provision of education. In addition to fees and related charges in respect to the provision of education, the charity's two schools receive grants from the Department for Education and other trusts and foundations.

Income derived from the levying of fees and charges for the provision of education is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of education. Such costs included in providing education at the charity's two schools for children with special needs include:-

- ◆ Teaching costs i.e. the cost of teaching and support staff salaries, including pensions and national insurance contribution, educational needs such as books and learning resources and activities.
- ◆ Welfare costs i.e. all domestic costs associated with the schools including employment costs, consumables and catering costs.
- ◆ Premises costs i.e. all costs associated with the premises, grounds and estate belonging to the charity and used for the purposes of education.
- ◆ Administration costs i.e. the costs which are directly attributable to the management of the charity's assets and organisational procedures.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

- ◆ Other freehold land and buildings

The original land and buildings were financed and provided by the Congregation and as such the assets were transferred to the CIO at 31 March 2019. Expenditure to adapt and improve the buildings financed directly by the schools is capitalised in these accounts. Such improvements are depreciated at between 2% and 10% per annum.

The specialist cycle track at Pield Heath House School is depreciated at 5% per annum (i.e. over 20 years) on a straight line basis.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

- ◆ Furniture and equipment

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a three to five year period on a straight line basis.

- ◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the schools and homes fund.

Fund accounting (continued)

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

For the purpose of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation who are trustees.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Total funds: Donations	6,167	10,637	16,804	5,349	5,083	10,432

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Provision of education						
Education fees and charges	6,973,692	—	6,973,692	6,773,864	—	6,773,864
Grants, contracts and agreements						
.. Department for Education						
.. Base Funding	1,990,000	—	1,990,000	1,993,333	—	1,993,333
.. Standards Fund	—	—	—	—	16,184	16,184
.. Capital improvements grant	—	44,802	44,802	—	82,214	82,214
.. Conditions grant	—	39,761	39,761	—	39,363	39,363
.. Covid Catch up Premium	—	35,174	35,174	—	32,558	32,558
.. Early Careers Grant	—	945	945	—	—	—
.. Covid Vaccination grant	—	—	—	—	2,105	2,105
.. Covid Tutoring Grant	—	8,137	8,137	—	14,038	14,038
.. Covid Recovery Premium	—	41,124	41,124	—	31,871	31,871
.. Teachers' Pension Grant	—	42,847	42,847	—	103,055	103,055
.. PE Grant	—	20,837	20,837	—	7,000	7,000
.. Teachers' Pay Grant	—	169,556	169,556	—	55,035	55,035
.. Pupil Premium	—	73,909	73,909	—	73,596	73,596
	1,990,000	477,092	2,467,092	1,993,333	457,019	2,450,352
Total funds	8,963,692	477,092	9,440,784	8,767,197	457,019	9,224,216

3 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Total funds: Other miscellaneous income	102,421	21,981	124,402	46,075	9,918	55,993

4 Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Teaching	6,915,493	516,403	7,431,896	6,422,571	370,758	6,793,329
Welfare	588,454	40,823	629,277	670,142	25,619	695,761
Premises (including depreciation)	1,055,974	45,032	1,101,006	1,125,594	37,869	1,163,463
Management of the schools	771,674	491	772,165	662,990	—	662,990
Allocation of support costs (note 5)	51,760	—	51,760	38,516	—	38,516
Total funds	9,383,355	602,749	9,986,104	8,919,813	434,246	9,354,059

5 Support costs

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Legal and professional fees	2,040	—	2,040	—	—	—
Governance costs (note 6)	42,780	—	42,780	29,010	—	29,010
Miscellaneous expenditure	6,940	—	6,940	9,506	—	9,506
Total funds	51,760	—	51,760	38,516	—	38,516

6 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Total funds:						
Professional fees	42,780	—	42,780	29,010	—	29,010

7 Net (expenditure) income and net movement in funds

This is stated after charging:

	Total 2024 £	Total 2023 £
Staff costs (note 8)	8,012,403	7,447,609
Auditor's remuneration:		
· Statutory audit – overall accounts	4,500	4,230
· Non-statutory audit – schools	38,280	24,780
Depreciation	327,673	350,559
Operating lease rentals	40,181	32,371

8 Staff costs and remuneration of key management

	2024 £	2023 £
Staff costs during the year were as follows:		
Wages and salaries	5,650,452	5,273,724
Social security costs	530,697	500,232
Other pension costs	617,524	566,920
	6,798,673	6,340,876
Payments to agency staff	1,196,453	1,090,874
Apprenticeship levy	17,277	15,859
	8,012,403	7,447,609

Payments to agency staff reflect the cost of supply teaching staff and agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2024 £	2023 £
Staff costs per function were as follows:		
Provision of education	8,012,403	7,447,609

8 Staff costs and remuneration of key management (continued)

There were five employees (2023 - five) who earned between £60,000 and £70,000 per annum, four employees (2023 - two) who earned between £70,001 and £80,000 per annum, and one employee (2023 - nil) who earned between £80,001 and £90,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year. Employer's pension contributions into the defined benefit scheme for those employees totalled £152,231 (2023 - £114,251).

The average number of employees, analysed by function, was:

	2024 No.	2023 No.
Provision of education	195	198

During the year, the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprised the trustees and Headteachers of the schools. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £238,123 (2023 - £211,406).

No trustee received any remuneration in respect to their services during the year (2024 - £nil) nor any reimbursements of expenses (2024 - £nil).

9 Taxation

The Sacred Hearts Sisters 1983 Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold building improvements £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2023	4,379,626	840,127	184,068	5,403,821
Additions	139,544	4,758	—	144,302
Disposals	—	—	(21,395)	(21,395)
At 31 March 2024	4,519,170	844,885	162,673	5,526,728
Depreciation				
At 1 April 2023	2,097,618	595,952	179,186	2,872,756
Charge for the year	219,843	102,957	4,873	327,673
On disposals	—	—	(21,393)	(21,393)
At 31 March 2024	2,317,461	698,909	162,666	3,179,036
Net book values				
At 31 March 2024	2,201,709	145,976	7	2,347,692
At 31 March 2023	2,282,008	244,175	4,882	2,531,065

10 Tangible fixed assets (continued)

The freehold to the original land and buildings which are occupied by the Schools is held by The Sisters of the Sacred Hearts of Jesus and Mary CIO. As a consequence, the original land and buildings are not included on the balance sheet of the charity.

11 Debtors

	2024 £	2023 £
Education fees and charges	472,211	465,220
Prepayments and accrued income	103,547	79,931
Other debtors	2,431	3,689
	578,189	548,840

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Social security and other taxes	64,679	53,287
Accruals and deferred income	46,971	137,587
Expense creditors	284,139	211,516
Other creditors	20,924	—
	416,713	402,390

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Capital grants fund	252,703	44,802	(53,602)	243,903
St John's R.C. Special School development fund	22,798	—	(3,419)	19,379
Pield Heath House School appeal fund	87,175	—	(58,007)	29,168
Pield Heath House School cycle track and mobility training centre fund	145,124	—	(13,193)	131,931
Other restricted funds	242,731	464,908	(474,528)	233,111
	750,531	509,710	(602,749)	657,492

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Capital grants fund	223,033	82,214	(52,544)	252,703
St John's R.C. Special School development fund	26,217	—	(3,419)	22,798
Pield Heath House School appeal fund	92,434	1,252	(6,511)	87,175
Pield Heath House School cycle track and mobility training centre fund	158,317	—	(13,193)	145,124
Other restricted funds	212,756	388,554	(358,579)	242,731
	712,757	472,020	(434,246)	750,531

13 Restricted funds (continued)

The specific purposes for which the funds are to be applied are as follows:

♦ Capital grants fund

This fund represented the liability of the trustees to repay to Government Departments any grants made from public funds towards the capital costs of buildings, additions or improvements thereto, such grants being subject to an undertaking to repay in the event of the asset ceasing to be used for the purpose for which the grant was made.

♦ St John's R.C. Special School development fund

This fund was established in 1994 to raise monies to enhance the development of St John's School.

♦ Pield Heath House School appeal fund

This fund was established as a separate fund on 3 November 1988. The fund consists of monies donated to the appeal specifically set up to raise and manage funds required to finance the redevelopment and maintenance of the school buildings, and any other improvements, which from time to time may be necessary. Appeal funds may also be used for any purpose connected with the school, its equipment and pupils, at the discretion of the appeal committee.

In the event that the appeal fund is dissolved for any reason, any assets remaining shall be given to the school for its general purposes.

In the event that the premises no longer function as a school, the monies may be used at the discretion of the trustees of the Sacred Hearts Sisters 1983 Charitable Fund.

Transfers from the fund represent expenditure on tangible fixed assets. When the asset is purchased, an amount equal to its cost is released to unrestricted funds.

♦ Pield Heath House School cycle track and mobility training centre fund

This fund represents the net book value of the specialist cycle track and mobility training centre at Pield Heath House School, Hillingdon, Middlesex which was constructed by Hillingdon Council with support from TfL and Marathon Trust.

♦ Other restricted funds

These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes and schools.

14 Tangible fixed assets fund

	Total 2024 £	Total 2023 £
At 1 April 2023	1,926,612	2,066,669
Net movement in year	(160,820)	(140,057)
At 31 March 2024	1,765,792	1,926,612

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the schools and home fund. A decision was made to separate this fund from the other funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

15 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	1,765,792	581,900	2,347,692
Net current assets	3,722,190	—	75,592	3,797,782
Total net assets	3,722,190	1,765,792	657,492	6,145,474

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2023 £
<i>Fund balances at 31 March 2023 are represented by:</i>				
<i>Tangible fixed assets</i>	—	1,926,612	604,453	2,531,065
<i>Net current assets</i>	3,831,898	—	146,078	3,977,976
<i>Total net assets</i>	<i>3,831,898</i>	<i>1,926,612</i>	<i>750,531</i>	<i>6,509,041</i>

16 Pension commitments

Retirement benefits for teachers are provided by a defined benefit scheme, the Teachers' Pension Scheme (TPS) and to other staff by a defined contribution scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments. Membership is automatic for teachers at eligible institutions. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- ◆ Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.

16 Pension commitments (continued)

- ♦ Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation were implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer contributions payable to the Scheme for the year were £492,305 (2023 - £445,552).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (teacherspensions.co.uk).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above, the information available on the scheme.

17 Operating lease commitments

At 31 March 2024, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2024 £	2023 £
Operating lease payments due:		
. Within one year	39,395	30,210
. One to two years	18,483	29,061
. Two to five years	39,725	26,064
	97,603	85,335

18 Related party transactions

Certain of the trustees of the Charitable Trust are also trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO, (Charity Registration Number: 1179804).

During the year the Charitable Trust paid the CIO £6,884 (2023 - £9,323) towards staffing costs borne by the CIO in administering the Charitable Trust. The Charitable Trust paid the CIO £151,000 (2023 - £217,500) in the year as a rental for the two schools' buildings occupied under licence by the Charitable Trust.

There were no other related party transactions during the year which require disclosure (2023 - none).

19 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

20 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees. The Congregation within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in the United Kingdom.

21 Post balance sheet events

Following the year end, Pield Heath House School received confirmation from its insurers that it will receive £100k from its insurers in relation to losses incurred in 2021/22

There were no other post balance sheet events requiring disclosure in the financial statements (2023 – none).

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales - Charity number 287232

Accounts

**The Sacred Hearts
Sisters 1983
Charitable Fund**

Annual Report and Accounts

31 March 2023

Charity Registration Number
287232

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Rosemary Clerkin Sister Kathleen Corbett Sister Elizabeth Dawson Sister Mary Catherine Macinnes Sister Julie Rose
The General Treasurer	Sister Elizabeth Dawson
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	287232
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG
Insurance Brokers	PIB Insurance Brokers Limited Poppleton Grange Low Poppleton Lane York YO26 6GZ

The trustees present their statutory report together with the accounts of the Sacred Hearts Sisters 1983 Charitable Fund (the charity) for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 33 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Statement of Recommended Practice on “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)”.

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 105 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

*“Joyful co-creators sharing God’s unconditional love in our wounded
world”*

“We, the Sisters of the Sacred Hearts of Jesus and Mary,

urged by the compassion of Christ

and responsive to the anguish of Peoples and Planet,

are called to help shape Communities

of Gentleness, Justice and Peace

that witness to the healing, liberating and empowering

love of God.”

Mission

The Sacred Hearts Sisters 1983 Charitable Trust continues to support the main activity of education and running two schools, St John’s Special School, Chigwell and Pield Heath House School, Uxbridge.

Activities, achievements, specific objectives and relevant policies

Education

The trustees are responsible for both schools providing education and care of pupils with special needs. Both schools throughout the year, following on from last year, continue to have discussions with external partners, local diocese and the Catholic Education Service in terms of future governance and leadership.

Pield Heath House School, Uxbridge

Pield Heath House School is a non-maintained, co-educational school for young people with special educational needs between the ages of 7 and 19 years, recognised by the Department for Education and under the trusteeship of The Sacred Hearts Sisters 1983 Charitable Fund.



The school offers day, residential and respite provision to young people with moderate to severe learning difficulties, autistic spectrum disorders and associated speech, language and communication difficulties within a warm and caring environment where daily life is underpinned by Christian principles.

Since its foundation in 1901, Pield Heath House School has helped young people with learning difficulties to develop their full potential. They have a highly skilled and deeply committed team that prides itself on providing a holistic approach to education, within a caring, spiritual environment where every young person is of equal importance, valued for what they are and encouraged to reach their maximum potential. The staff are passionate in their work with the young people to encourage their progress, celebrate their achievements and inspire confidence in their futures, in close partnership with parents and carers. The school's main purpose is to maximise students' life experience to enable their independence and inclusion in the wider community.

During the financial year 2022-2023 the number of students remained consistent at 100 with the majority of the students from Hillingdon Local Authority. All students have an Education Health and Care Plan which outlines their needs and the provision required to meet those individual needs. Students' needs range from moderate to severe and complex learning needs and difficulties in speech language and communication and sensory processing needs. Students referred are increasingly complex in need requiring staff with specialised knowledge and experience and an increase in the number of support staff required.

As of 31 March 2023, students attending the school came from the following Local Authorities:

Brent	Bucks	Hertfordshire	Harrow	Hillingdon	Hounslow	Slough	Other
5	2	2	6	64	13	4	4

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

The Curriculum

The school continues to offer a broad and balanced curriculum. The Curriculum Intent is to “Prepare for life beyond school” and the three curriculum pathways are designed to lead to each pupil’s most likely destination when they leave. Pathway 1 or the pre-formal curriculum, for those with most complex needs, Pathway 2 or semi-formal curriculum for those who need a mixture of developmental and formal curricula and Pathway 3 or formal curriculum for those who are likely to move on to training and employment.

Staff have devised assessment frameworks to complement these and we have introduced Evidence for Learning, an application to track the progress of children and young people towards outcomes as set out in their Education, Health and Care Plans (EHCP’s). Students achieve accreditation in ASDAN Transition Challenge, ASDAN Bronze Award, Functional Skills Entry Level 1, 2 or 3 and Art Entry Level Exams. The school uses Positive Behaviour Support (PBS), a values-led, person centred approach that seeks to understand behaviours and change systems and culture. They also use ‘The Thrive Approach’, a social and emotional assessment and intervention programme. The school employs a full-time occupational therapist and a speech therapist, and has capacity for 2 OT’s and 3 Speech and Language Therapists.

Section 5 Ofsted Inspection 13-14 July 2022

In July 2022 the school had an OFSTED inspection. Having previously been judged to be “Requires Improvement”, the trustees and governors were pleased that the school’s review of the curriculum provision and the introduction of the new assessment package was recognised and the school received a judgement of “Good” in all areas.

Children’s Cross Regional Arrangements Group (CRAGG)

The school had a successful CRAGG monitoring visit by Buckinghamshire Local Authority in March 2023.

School life post Covid-19

Having achieved a judgement of Good in the Section 5 Ofsted Inspection in July the school was able to plan with a renewed level of confidence, its journey of continued improvement. It has been fortunate that all its young people and staff returned healthy and happy at the start of the new academic year in September 2022 as it welcomed 13 new students and their families. The whole school community has been able to come together on a regular basis, which was not possible in the 2021/ 2022 academic year. The school welcomed parents to the first face to face parents’ consultations held over two nights. Parents attending expressed that it was wonderful to be able to see staff face to face. Some parents opted for virtual meetings and this is something which will continue to be offered to ensure we maximise parental engagement.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

School life post Covid-19 (continued)

The continued development of the new assessment package and the use of iPads to capture student progress has also led to increased parental engagement. Parents are able to review their child or young person's progress through the parent portal. Parents can also share achievements demonstrated at home and feedback have been very positive.

Pathway 2 and 3 students continue to develop important vocational and transferable work-based skills.

Students value their work placements at The Well, the school Community Café and look forward to their "shifts".

Students are introduced to the concept of sustainability with many of the cross-curriculum projects involving recycling of materials, home growing and handmade items. Students are then an integral part of the "selling" of these items at the school's community events.



The Sixth Form

National Open College Network (NOCN) - external verification and moderation took place and as a result the school now holds the Direct Claim Status. Therefore, no external verification of portfolios of work will be required this and next academic year (2022/23 and 2023/24).

ASDAN Towards Independence and Transition Challenge programmes now have the Direct Claim Status as well, which means no external verification of portfolios of students' work will be required this and next academic year (2022/23 and 2023/24).

The school has re-established the link with the local college and students have started their Prince's Trust Achieve Programme which aims to support young people to achieve a range of personal and employability skills and gain qualifications in order to help them with career planning, adjusting to transition and the expectations of College.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

Personnel

In September 2022, an Associate Principal, Head of Sixth Form was appointed. Two permanent SEN teachers were also appointed. These two roles were filled temporarily by two associate principals due to the difficulty recruiting suitably experienced staff.

In November 2022, the School Finance and Operations Manager resigned. This role has been temporarily filled by the school's finance governor.

The residential provision was a key focus for development in 2022-2023. In April 2022 the provision had reduced from 3 nights, to 2 nights and eventually 1-night per week.

Student numbers decreased from 6 per week to 2 per week in September 2022, due to 4 students moving onto Further Education in July 2022. The Head of Care worked with families and Social Services to secure respite for those students who would benefit from a 24hour curriculum. Unfortunately, due to a number of factors which included lack of social workers and funding for some students, this wasn't successful.

As a result, with only 2 students attending one night per week, the difficult decision was taken to suspend the provision until a marketing and business plan, based on a full review and needs analysis is put in place. In February 2023, 3 residential staff were made redundant and 1 shifted into a school position.

School improvements

- ◆ The outdoor area of the VBC Complex Needs department is more secure with the new fencing. This enables those classes with students with the most complex needs to access the outdoor space safely.
- ◆ Individual learning environments in the main building of the Sixth form were also improved and redecorated.
- ◆ The temporary fencing outside the boiler house and the basement has been permanently replaced.
- ◆ A new audio-visual system was installed in the school chapel.
- ◆ The chapel, as the place the community comes together each week to celebrate the Catholic Life of the school weekly, has also been redecorated thanks to volunteers who donated the materials and completed the work.

Activities, achievements, specific objectives and relevant policies (continued)

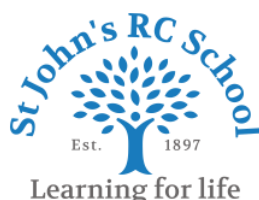
Education (continued)

Pield Heath House School, Uxbridge (continued)

Future Plans

- ◆ To review the structure and effectiveness of the Finance, Administration and Premises departments.
- ◆ To ensure robust monitoring of finance processes and control.
- ◆ To review the school fees, residential fees and fee banding structure.
- ◆ To develop a business and marketing plan to ensure sustainability prior to re-opening of St Joseph's residential provision.

St John's Special School, Chigwell



St John's RC School is a non-maintained special school offering day provision for pupils aged 5 to 19 with a wide range of needs including moderate to severe learning difficulties, autistic spectrum disorder (ASD) and those with associated speech, language and communication difficulties. The school continues to be very popular with parents and Local Education Authorities (LEAs), with 99 pupils on roll. Based in Woodford Green, Essex the school has students from across the county as well as the London Boroughs. Although a Roman Catholic school, St John's welcomes pupils from all faiths and backgrounds.

Since September 2015, St John's has been in partnership with New City College and provides a 19-25 provision for those students who are not quite ready for mainstream college aiming to bridge this gap by meeting their individual needs. The post-19 provision continues to be very successful.

St John's is very proud of its team of highly skilled and dedicated staff, including music, speech and language therapists, learning mentors and learning support assistants who work together to ensure that all pupils achieve and grow in confidence and self-esteem within a community of care and learning; developing their independent living skills to their full potential. By offering a curriculum that is varied and challenging and allowing students to progress through the school, many will achieve accreditation through AQA awards, OCR, Asdan and BTEC where appropriate.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Currently the following local Education Authorities (LEAs) place children at St John's:

Barking & Dagenham	Enfield	Essex	Hackney	Newham	Redbridge	Tower Hamlets	Waltham Forest	Other
4	11	4	4	7	46	8	13	3



Progress

The school continues to offer a broad and balanced curriculum, which meets the needs of our young people and promotes preparation for adulthood. The curriculum covers functional maths, English, RE and ICT as well as offering a number of practical subjects such as PE, Food Technology and Horticulture. In the past academic year, the school has increased the use of outside providers to extend the range and variety of activities we can now offer the students the activities now on offer include swimming, horse riding, Lambourne End Farm



and Activities Centre, Redbridge Drama Centre and Fairlop water lake for sailing. The sixth form students complete a BTEC accreditation and the formal curriculum students in key stage 4 complete Asdan and AQA awards.

The school offers a sensory, semi-formal and formal curriculum depending on the pupil's individual needs and the targets set out in their Education, Health and Care Plan.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Pupils



The school currently has 100 pupils on roll from 11 different local authorities. It receives a number of referrals throughout the year and it is full for September 2023, depending on confirmation of funding. It is also in the fortunate position of having a waiting list of students who are requesting places should these become available the pupils all have an Educational, Health and Care Plan and their individual needs include Global Developmental Delay, autism and Down's syndrome. A large number have communication difficulties, which is why the school is very fortunate to have a team of Speech and Language therapists, a music therapist and an occupational health therapist on site.

Personnel

The staff turnover remains quite low. The school has recently appointed both a new English co-ordinator from our existing staff. It has appointed a number of learning support assistants this term to replace staff who have moved on to other posts. It had historically relied heavily on agency staff but has now appointed a number of these agency personnel onto its permanent staff. It hopes to start the new academic term with no agency staff and this will give both staff and students consistency.

In total the school now employs 100 staff across the school and Post-19 college.

School improvements

The track that was installed last year continues to be very popular with both students and staff and the signage around the track has been added to in order to encourage the students to use the sensory circuit that runs alongside the track.

The school has also installed an outdoor gym in the post 19 college which is proving very popular with students. The college has also used Jack Petchey funding to purchase garden furniture and outdoor activity resources. It has also purchased a new shed to house all the college garden furniture and outdoor games.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

School improvements (continued)

The activities and lessons throughout the school focus on the individual needs of students – the school offers a total communication environment that is accessible to all.



Future plans

The school continues to develop and invest in facilities, buildings and people. This requires financial resources and so the trustees, governors and senior management are content with the level of free reserves which they consider adequate but not excessive.

Activities, achievements, specific objectives and relevant policies (continued)

Employees

Both schools strive to be equal opportunities employers and apply objective criteria to assess merit. They aim to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Financial review

Results for the year

A summary of the year's results can be found on page 25 of this report and accounts.

The statement of financial activities shows net expenditure and a decrease in funds during the year of £63,418 (2022 – net decrease of £355,317) with total income amounting to £9,290,641 (2022 – £8,983,849) and expenditure totalling £9,354,059 (2022 – £9,339,166).

Total income includes £9,224,216 (2022 – £8,736,172) of education fees and related charges generated by the charity's educational establishments.

Other income includes donations and sundry income in the year.

Total expenditure comprises expenditure on the charity's schools and educational establishments of £9,354,059 (2022 – £9,119,578) a. The majority of expenditure relates to staff costs at the two schools which totalled £7,447,609 (2022 – £7,155,747).

Deducting expenditure from income for the year gives a net expenditure figure for the year of £63,418 (2022 – net expenditure £355,317). One of the reasons for this deficit in the year relates to the increase in staff costs, it is hoped that due to a restructure of staffing at Pield Heath House School during 2023-2024 and increasing fees will help to avoid a deficit in the 2024 year end.

Reserves policy and financial position

Reserves policy

The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to education, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position

The charity balance sheet shows total reserves of £6,509,041 (2022 – £6,572,459).

Included in this figure was an amount of £750,531 (2022 – £712,757) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts, together with an analysis of movements in the year.

The tangible fixed assets fund totals £1,926,612 (2022 – £2,066,669) and is represented by those tangible fixed assets not financed out of restricted funds.

The balance of general funds at 31 March 2023 was £3,831,898 (2022 – £3,793,033). These funds are deemed sufficient by the trustees being consistent with the reserves policy set out above.

Governance, structure and management

Governance

In terms of Civil law, the charity is governed by a trust deed dated 23 May 1983 and is a registered charity, Charity Registration No. 287232. The trustees of the charity are appointed by the Congregational Leader (the Congregational Leader is appointed in terms of canon law and is elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation). All trustees are members of the Congregation and have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees spend some time with those trustees leaving office. They also meet with the Congregation's Professional advisers in order to obtain a full briefing of their responsibilities and the charity's position. They have also attended appropriate study days..

During the year all or some of the trustees attended:

- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Trustee training sessions put on by Buzzacott LLP and DE Ford, Insurance Brokers Limited

Governance, structure and management (continued)

Governance (continued)

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Sister Rosemary Clerkin

Sister Rosemary Clerkin entered the Congregation in November 1953. Having completed her Novitiate training she trained as a teacher at Notre Dame College of Education in Liverpool (1956–1958) and subsequently taught in St. Mary's School Pembroke Dock Wales (1958–1966). In 1968, having completed a Diploma in the Teaching of Maladjusted children & Young people at the Institute of Education, University College London, she taught for four years in St. Laurence's Home Office Approved School for girls in Frant Sussex.

She was appointed Principal of Allerton Priory School for Girls with Special Educational Needs (1972–1978). Sister Rosemary was appointed to the Congregation's Formation Programme in 1990 and in 1990 became Superior of Sacred Heart Convent Dagenham. During this time she set up a Day Centre with Nursery for Refugees & Asylum seekers, since known as Harmony House. From 1996–2008 she was a member of the Leadership Team. Since then she has been a member of the Field Heath community in Uxbridge, where she continues research into the Congregation's history.

Sister Elizabeth Dawson

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

Governance, structure and management (continued)

Governance (continued)

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

After completing her term of office in August 2014 Sister Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters. In March 2022 she was appointed Treasurer General for the Congregation and returned to live in the Chigwell Community.

Sister Mary Cathie MacInnes

Sister Mary Cathie entered the Congregation in the year 2000 from the island of Eriskay in the Western Isles. Before joining the Congregation Sister Mary Cathie worked in the retail business and on the domestic care side of the local Hospital. In 2000 when she left the Western Isles she worked in Pield Heath Special School, gaining experience in teaching youngsters with special educational needs. In 2003 Sister Mary Cathie attended Uxbridge College where she attained a PCET in 2005 for her future role teaching Post 16 adults with Special Educational Needs. In 2006, Sister Mary Cathie was then missioned to Zambia where she opened a Unit for Post 16 Adults with Educational Needs and later in 2009 she became a Director of the Pastoral Needs of the School. In 2013 Sister Mary Cathie returned to the UK to fulfil a pastoral role in a parish in the East End of London until 2015. In 2015 she joined the Community in the Congregation's House of Prayer in North Wales where she continues her pastoral care in the local community and is involved in the running of the House of Prayer as a member of a Team of 6.

Sister Julie Rose

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the 2 Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of both special schools, supporting trustees and governors in strategic planning and governance.

Governance, structure and management (continued)

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the Headteachers of the schools, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The pay of the Headteachers of the schools is reviewed by the governors and is based on the school Teachers Pay and Conditions Document and Statutory Regulations affecting the employment and conduct of teaching staff, and for associate staff the National Joint Council for Local Government Services Terms and Conditions.

Governance, structure and management (continued)

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the senior staff and Governors.

The charity is connected also to Harmony House Community Interest Company (Company Registration No 06565448 (England and Wales)). Several of those who served as trustees of the charity during the year are directors of the company. There were no transactions between the charity and the company.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster and Brentwood;
- ◆ Local Authorities where the schools are situated;
- ◆ National Association of Special Schools;
- ◆ "Network" safeguarding group of religious Congregations;.

Public Benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

"There are two things in life, Jesus Christ and the poorest of God's people"

The main area in which the charity has provided public benefit is in its educational activities. While the Congregation is no longer able to provide teaching by Sisters in the UK, the work of our schools, all focused on pupils with special needs, continues to produce excellent results. All pupils are assessed by Local Authorities.

Both schools maintain a Catholic ethos, whilst welcoming pupils from all faiths and religious backgrounds. Members of the Congregation, all with many years of specialist experience, voluntarily serve on the schools' boards of governors, providing guidance and assistance as required.

Governance, structure and management (continued)

Public benefit (continued)

One Sister was Executive Principal of the two schools (until 31 March 2022) and attended all Governors' meetings, interviews and deals with all legal matters pertaining to employment and training of staff. She reported to the trustees every three months. This Sister became the Congregational Leader and trustee on the 2 February 2022 and is still attending all Governors meetings to be able to report back to the remaining trustees.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place.

The trustees have identified the following main areas of risk which may impact on the charity:

- ◆ Covid-19
- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. We have a trustee who has comprehensive training in all matters pertaining to safeguarding.

Financial

- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.

Governance, structure and management (continued)

Risk management (continued)

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the charity should it be the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in the schools the highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ Ofsted carry out inspections of the schools at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2023 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the charity during the year to 31 March 2023. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2023.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation who are involved with the schools. Their dedication and positive approach are very much appreciated.

Summary and acknowledgements

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved by the trustees on: 23rd January 2024

Independent auditor's report to the trustees of The Sacred Hearts Sisters 1983 Charitable Fund

Opinion

We have audited the accounts of The Sacred Hearts Sisters 1983 Charitable Fund (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 January 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from:							
Donations and legacies	1	5,349	5,083	10,432	56,896	5,986	62,882
Charitable activities							
. Provision of education	2	8,767,197	457,019	9,224,216	8,346,429	389,743	8,736,172
Other sources	3						
. Miscellaneous income		46,075	9,918	55,993	151,110	33,685	184,795
Total income		8,818,621	472,020	9,290,641	8,554,435	429,414	8,983,849
Expenditure on:							
Charitable activities							
. Provision of education	4	8,919,813	434,246	9,354,059	8,709,592	409,986	9,119,578
. Loss arising from alleged fraud	5	—	—	—	219,588	—	219,588
Total expenditure		8,919,813	434,246	9,354,059	8,929,180	409,986	9,339,166
Net (expenditure) income and net movement in funds	8	(101,192)	37,774	(63,418)	(374,745)	19,428	(355,317)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		5,859,702	712,757	6,572,459	6,234,447	693,329	6,927,776
Fund balances carried forward at 31 March 2023		5,758,510	750,531	6,509,041	5,859,702	712,757	6,572,459

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities in the above two financial periods derived from continuing operations.

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	11		2,531,065		2,625,132
Current assets					
Debtors	12	548,840		1,030,461	
Short term deposits		74,194		128,304	
Cash at bank and in hand		3,757,332		3,452,613	
		4,380,366		4,611,378	
Liabilities:					
Creditors: amounts falling due within one year	13	(402,390)		(664,051)	
Net current assets			3,977,976		3,947,327
Total net assets			6,509,041		6,572,459
The funds of the charity					
Restricted funds	14		750,531		712,757
Unrestricted funds					
. Tangible fixed assets fund	15	1,926,612		2,066,669	
. General fund		3,831,898		3,793,033	
			5,758,510		5,859,702
			6,509,041		6,572,459

Approved by the trustees and signed on their behalf by:

Julie Rose

Trustee

Approved on: 23rd January 2024

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	517,485	175,370
Cash flows from investing activities:			
Purchase of tangible fixed assets		(266,876)	(296,868)
Net cash used in investing activities		(266,876)	(296,869)
Change in cash and cash equivalents in the year		250,609	(121,498)
Cash and cash equivalents at 1 April 2022	B	3,580,917	3,702,415
Cash and cash equivalents at 31 March 2023	B	3,831,526	3,580,917

Notes to the statement of cash flows for the year to 31 March 2023.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(63,418)	(355,317)
Adjustments for:		
Depreciation charge	350,559	363,325
Net loss on disposal of tangible fixed assets	11,946	4,541
Decrease (increase) in debtors	469,215	(219,587)
(Decrease) increase in creditors	(250,817)	382,408
Net cash provided by operating activities	517,485	175,370

B Analysis of net debt i.e. cash and cash equivalents

	2022 £	2021 £
Short term deposits (less than three months)	74,194	154,075
Cash at bank and in hand	3,757,332	3,548,340
Total cash and cash equivalents	3,831,526	3,702,415

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2023 with comparative information provided in respect to the year to 31 March 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ Determining the quantum of the alleged fraud during the year;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

In making that assessment, the trustees have considered the impact of the alleged fraud on the charity's financial position.

The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, legacies, investment income and interest receivable, income from charitable activities and other income including the surplus on the disposal of tangible fixed assets and other property.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided, or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income recognition (continued)

Income from charitable activities comprises fees and related charges for the provision of education. In addition to fees and related charges in respect to the provision of education, the charity's two schools receive grants from the Department for Education and other trusts and foundations.

Income derived from the levying of fees and charges for the provision of education is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Income arising from the disposal of interests in land, including the sale of land subject to a reversionary clause in favour of the charity, are accounted for in accordance with the legal agreements relating to such disposals. The amounts receivable are measured at fair value and accounted for when the amounts due are capable of such measurement and when receipt is probable. In reality, this is on the legal completion of the sale of the relevant land.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of education. Such costs included in providing education at the charity's two schools for children with special needs include:-

- ◆ Teaching costs i.e. the cost of teaching and support staff salaries, including pensions and national insurance contribution, educational needs such as books and learning resources and activities.

Expenditure recognition (continued)

- ◆ Welfare costs i.e. all domestic costs associated with the schools including employment costs, consumables and catering costs.
- ◆ Premises costs i.e. all costs associated with the premises, grounds and estate belonging to the charity and used for the purposes of education.
- ◆ Administration costs i.e. the costs which are directly attributable to the management of the charity's assets and organisational procedures.

All expenditure is stated inclusive of irrecoverable VAT.

The loss arising from the alleged fraud has been determined following a detailed review of the school's financial records by specialist forensic accountants. The loss arose during the period July 2021 to September 2022 and the full estimated loss during that period has been accounted for in these accounts.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

- ◆ Inalienable land and buildings
The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.
- ◆ Other freehold land and buildings
The original land and buildings were financed and provided by the Congregation and as such the assets were transferred to the CIO at 31 March 2019. Expenditure to adapt and improve the buildings financed directly by the schools is capitalised in these accounts. Such improvements are depreciated at between 2% and 10% per annum.

Tangible fixed assets (continued)

The specialist cycle track at Field Heath House School is depreciated at 5% per annum (i.e. over 20 years) on a straight line basis.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a three to five year period on a straight line basis.

◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the schools and homes fund.

Fund accounting (continued)

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

For the purpose of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation who are trustees.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Total funds: Donations	5,349	5,083	10,432	56,896	5,986	62,882

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Provision of education						
Education fees and charges	6,773,864	—	6,773,864	6,336,126	—	6,336,126
Grants, contracts and agreements						
.. Department for Education						
.. Base Funding	1,993,333	—	1,993,333	1,976,667	—	1,976,667
.. Standards Fund	—	16,184	16,184	45,060	—	45,060
.. Capital improvements grant	—	82,214	82,214	—	82,187	82,187
.. Conditions grant	—	39,363	39,363	—	—	—
.. Looked after Children	—	—	—	—	11,743	11,743
.. Covid Catch up Premium	—	32,558	32,558	—	46,285	46,285
.. Covid Mass testing Grant	—	—	—	—	—	—
.. Mass testing exception	—	—	—	(11,424)	—	(11,424)
.. Schools Emergency support	—	—	—	—	—	—
.. Covid Vaccination grant	—	2,105	2,105	—	—	—
.. Covid Tutoring Grant	—	14,038	14,038	—	5,243	5,243
.. Covid Recovery Premium	—	31,871	31,871	—	6,308	6,308
.. Teachers' Pension Grant	—	103,055	103,055	—	82,875	82,875
.. PE Grant	—	7,000	7,000	—	23,203	23,203
.. Teachers' Pay Grant	—	55,035	55,035	—	67,059	67,059
.. Pupil Premium	—	73,596	73,596	—	64,840	64,840
	1,993,333	457,019	2,450,352	2,010,303	389,743	2,400,046
Total funds	8,767,197	457,019	9,224,216	8,346,429	389,743	8,736,172

3 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Total funds: Other miscellaneous income	46,075	9,918	55,993	151,110	33,685	184,795

4 Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Teaching	6,422,571	370,758	6,793,329	6,152,305	358,408	6,510,713
Welfare	670,142	25,619	695,761	629,389	15,538	644,927
Premises (including depreciation)	1,125,594	37,869	1,163,463	1,114,787	35,155	1,149,942
Management of the schools	662,990	—	662,990	750,345	885	751,230
Allocation of support costs (note 6)	38,516	—	38,516	62,766	—	62,766
Total funds	8,919,813	434,246	9,354,059	8,709,592	409,986	9,119,578

5 Alleged fraud

In February 2022, Governors of Pield Heath House School were informed that the school was expected to show a surplus of £12,000 for the year to 31 March 2022. However, in June 2022, they were informed that the school had a deficit in excess of £500,000.

Subsequent to the financial year end, the governors requested further explanations for this unexpected deficit.

At the same time, queries were raised by the Finance Manager and trustees of the charity in relation to increased expenditure in relation to certain suppliers.

As a result, a detailed review of the school's financial records was carried out and a number of irregularities were uncovered. The auditors, bankers and HR and legal advisors were all notified of these findings as well as the Charity Commission by a Serious Incident Report on the 14 October 2022. It is believed that the irregularities are evidence of an alleged fraud which took place between July 2021 and September 2022 by a member of staff. As part of the investigations the staff member suspected of the alleged fraud was suspended and subsequently left the school's employment.

Forensic accountants were appointed by the school and an audit was carried out for internal purposes. This was completed in April 2023 and confirmed that the total amount allegedly misappropriated was £219,588.

The police were notified and in November 2022 they began an investigation. The investigation is ongoing.

As a result of the fraud, the school's financial controls have been reviewed and policies, actions and procedures have either been reinforced or updated where necessary.

6 Support costs

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Legal and professional fees	9,323	—	9,323	17,460	—	17,460
Governance costs (note 7)	29,010	—	29,010	45,180	—	45,180
Miscellaneous expenditure	183	—	183	126	—	126
Total funds	38,516	—	38,516	62,766	—	62,766

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Total funds:						
Professional fees	29,010	—	29,010	45,180	—	45,180

8 Net (expenditure) income and net movement in funds

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 9)	7,447,609	7,155,747
Auditor's remuneration:		
. Statutory audit – overall accounts	4,230	3,840
. Non-statutory audit – schools	24,780	32,340
Depreciation	350,559	363,325
Operating lease rentals	32,371	32,371

9 Staff costs and remuneration of key management

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	5,273,724	5,133,112
Social security costs	500,232	452,180
Other pension costs	566,920	555,758
	6,340,876	6,141,050
Payments to agency staff	1,090,874	999,968
Apprenticeship levy	15,859	14,729
	7,447,609	7,155,747

Payments to agency staff reflect the cost of supply teaching staff and agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2023 £	2022 £
Staff costs per function were as follows:		
Provision of education	7,447,609	7,155,747

There were five employees (2022 - six) who earned between £60,000 and £70,000 per annum, two employee (2022 - one) who earned between £70,001 and £80,000 per annum, and no employee (2022 - one) who earned between £90,001 and £100,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year. Employer's pension contributions into the defined benefit scheme for those employees totalled £114,251 (2022 - £127,937).

The average number of employees, analysed by function, was:

	2023 No.	2022 No.
Provision of education	198	211

During the year, the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprised the trustees, the governors of the schools and Headteachers of the schools. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £211,406 (2022 - £223,287).

No trustee or governor received any remuneration in respect to their services during the year (2022 - £nil) nor any reimbursements of expenses (2022 - £nil).

10 Taxation

The Sacred Hearts Sisters 1983 Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	4,255,358	811,747	184,068	5,251,173
Additions	174,117	94,321	—	268,438
Disposals	(49,849)	(65,941)	—	(115,790)
At 31 March 2023	<u>4,379,626</u>	<u>840,127</u>	<u>184,068</u>	<u>5,403,821</u>
Depreciation				
At 1 April 2022	1,923,515	531,696	170,830	2,626,041
Charge for the year	212,006	130,197	8,356	350,559
On disposals	(37,903)	(65,941)	—	(103,844)
At 31 March 2023	<u>2,097,618</u>	<u>595,952</u>	<u>179,186</u>	<u>2,872,756</u>
Net book values				
At 31 March 2023	<u>2,282,008</u>	<u>244,175</u>	<u>4,882</u>	<u>2,531,065</u>
At 31 March 2022	<u>2,331,843</u>	<u>280,051</u>	<u>13,238</u>	<u>2,625,132</u>

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

Certain of the charity's properties are subject to covenants which restrict their use and disposal.

12 Debtors

	2023 £	2022 £
Education fees and charges	465,220	928,104
Prepayments and accrued income	79,931	100,449
Other debtors	3,689	1,908
	<u>548,840</u>	<u>1,030,461</u>

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Social security and other taxes	53,287	135,508
Accruals and deferred income	137,587	89,936
Alleged fraud	—	113,743
Other creditors	211,516	324,864
	402,390	664,051

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Capital grants fund	223,033	82,214	(52,544)	252,703
St John's R.C. Special School development fund	26,217	—	(3,419)	22,798
Pield Heath House School appeal fund	92,434	1,252	(6,511)	87,175
Pield Heath House School cycle track and mobility training centre fund	158,317	—	(13,193)	145,124
Other restricted funds	212,756	388,554	(358,579)	242,731
	712,757	472,020	(434,246)	750,531

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Capital grants fund	183,840	82,187	(42,994)	223,033
St John's R.C. Special School development fund	35,962	—	(9,745)	26,217
Pield Heath House School appeal fund	97,712	1,234	(6,512)	92,434
Pield Heath House School cycle track and mobility training centre fund	171,510	—	(13,193)	158,317
Other restricted funds	204,305	345,693	(337,242)	212,756
	693,329	429,114	(409,686)	712,757

The specific purposes for which the funds are to be applied are as follows:

♦ Capital grants fund

This fund represented the liability of the trustees to repay to Government Departments any grants made from public funds towards the capital costs of buildings, additions or improvements thereto, such grants being subject to an undertaking to repay in the event of the asset ceasing to be used for the purpose for which the grant was made.

♦ St John's R.C. Special School development fund

This fund was established in 1994 to raise monies to enhance the development of St John's School.

14 Restricted funds (continued)

♦ Pield Heath House School appeal fund

This fund was established as a separate fund on 3 November 1988. The fund consists of monies donated to the appeal specifically set up to raise and manage funds required to finance the redevelopment and maintenance of the school buildings, and any other improvements, which from time to time may be necessary. Appeal funds may also be used for any purpose connected with the school, its equipment and pupils, at the discretion of the appeal committee.

In the event that the appeal fund is dissolved for any reason, any assets remaining shall be given to the school for its general purposes.

In the event that the premises no longer function as a school, the monies may be used at the discretion of the trustees of the Sacred Hearts Sisters 1983 Charitable Fund.

Transfers from the fund represent expenditure on tangible fixed assets. When the asset is purchased, an amount equal to its cost is released to unrestricted funds.

♦ Pield Heath House School cycle track and mobility training centre fund

This fund represents the net book value of the specialist cycle track and mobility training centre at Pield Heath House School, Hillingdon, Middlesex which was constructed by Hillingdon Council with support from TfL and Marathon Trust.

♦ Other restricted funds

These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes and schools.

15 Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 April 2022	2,066,669	2,158,806
Net movement in year	(140,057)	(92,137)
At 31 March 2023	1,926,612	2,066,669

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the schools and home fund. A decision was made to separate this fund from the other funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

16 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	1,926,612	604,453	2,531,065
Net current assets	3,831,898	—	146,078	3,977,976
Total net assets	3,831,898	1,926,612	750,531	6,509,041

16 Analysis of net assets between funds (continued)

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	—	2,066,669	558,463	2,625,132
Net current assets	3,793,033	—	154,294	3,947,327
Total net assets	3,793,033	2,066,669	712,757	6,572,459

17 Pension commitments

Retirement benefits for academic employees of the charity's schools are provided by a defined benefit scheme, the Teachers' Pension Scheme (TPS), which is funded by contributions from the charity and the employees.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £20 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The contributions payable to the Scheme for the year were £ (2022 - £445,552).

18 Operating lease commitments

At 31 March 2023, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2023	2022
	£	£
Operating lease payments due:		
. Within one year	30,210	30,210
. One to two years	29,061	26,901
. Two to five years	26,064	33,648
	85,335	90,759

19 Related party transactions

Certain of the trustees of the Charitable Trust are also trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO, (Charity Registration Number: 1179804).

During the year the Charitable Trust paid the CIO £9,323 (2022 - £7,246) towards staffing costs borne by the CIO in administering the Charitable Trust. The Charitable Trust paid the CIO £217,500 (2022 - £290,000) in the year as a rental for the two schools' buildings occupied under licence by the Charitable Trust. In 2022 the Charitable Trust paid the CIO a salary for one sister who was employed by the Charitable Trust as Executive Pricipal, nothing was paid in 2023 (2022 - £76,793). The CIO donated £nil (2022 - £40,800) to one of the schools within the Charitable Trust during the year to assist towards staffing costs.

There were no other related party transactions during the year which require disclosure (2022 - none).

20 Other connected entities

Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales)) works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough. Several of the trustees of the charity are directors of the Community Interest Company.

21 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

22 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees. The Congregation within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in the United Kingdom.

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales - Charity number 287232

Accounts

**The Sacred Hearts
Sisters 1983
Charitable Fund**

Annual Report and Accounts

31 March 2022

Charity Registration Number
287232

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Rosemary Clerkin (appointed February 2022) Sister Catherine Collins (resigned February 2022) Sister Kathleen Corbett Sister Elizabeth Dawson (appointed February 2022) Sister Nora Emperor (resigned February 2022) Sister Eileen McLoughlin (resigned February 2022) Sister Mary Catherine Macinnes (appointed February 2022) Sister Mary Mangan (resigned February 2022) Sister Julie Rose (appointed February 2022) Sister Lorna Walsh (resigned February 2022)
The General Treasurer	Sister Catherine Collins (resigned February 2022) Sister Elizabeth Dawson (appointed February 2022)
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	287232
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU

Reference and administrative details of the charity, its trustees and advisers

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Insurance Brokers PIB Insurance Brokers Limited
Poppleton Grange
Low Poppleton Lane
York
YO26 6GZ

Report of the trustees Year to 31 March 2022

The trustees present their statutory report together with the accounts of the Sacred Hearts Sisters 1983 Charitable Fund (the charity) for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 32 to 37 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Statement of Recommended Practice on “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)”.

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 103 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Vision and Mission Statement of the Sisters is:

*“Joyful co-creators sharing God’s unconditional love in our wounded
world”*

“We, the Sisters of the Sacred Hearts of Jesus and Mary,

urged by the compassion of Christ

and responsive to the anguish of Peoples and Planet,

are called to help shape Communities

of Gentleness, Justice and Peace

that witness to the healing, liberating and empowering

love of God.”

Mission

The Sacred Hearts Sisters 1983 Charitable Trust continues to support the main activity of education and running two Schools, St John's Special School, Chigwell and Pield Heath House School, Uxbridge.

Activities, achievements, specific objectives and relevant policies

Education

The trustees are responsible for both Schools providing education and care of pupils with special needs. Both Schools throughout the year, following on from last year, continue to have discussions with external partners, local diocese and the Catholic Education Service in terms of future governance and leadership.

Pield Heath House School, Uxbridge



Pield Heath House School is a non-maintained, co-educational School for young people with special educational needs between the ages of 7 and 19 years, recognised by the Department for Education and under the trusteeship of The Sacred Hearts Sisters 1983 Charitable Fund.

The School offers day, residential and respite provision to young people with moderate to severe learning difficulties, autistic spectrum disorders and associated speech, language and communication difficulties within a warm and caring environment where daily life is underpinned by Christian principles.

Since its foundation in 1901, Pield Heath House School has helped young people with learning difficulties to develop their full potential. They have a highly skilled and deeply committed team that prides itself on providing a holistic approach to education, within a caring, spiritual environment where every young person is of equal importance, valued for what they are and encouraged to reach their maximum potential. The staff are passionate in their work with the young people to encourage their progress, celebrate their achievements and inspire confidence in their futures, in close partnership with parents and carers. The School's main purpose is to maximise students' life experience to enable their independence and inclusion in the wider community.

During the financial year 2021-22 the number of students was 100 with the majority of the students from Hillingdon Local Authority due to the demand for places for young people with additional needs in the Borough. All students have an Education Health and Care Plan which outlines their needs and the provision required to meet those individual needs. Students' needs range from moderate to severe and include complex learning needs and difficulties in speech language and communication and sensory processing needs.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

Students referred are increasingly complex in need requiring staff with specialised knowledge and experience and an increase in the number of support staff required.

As of 31 March 2022, students attending the School came from the following Local Authorities:

Barnet	Brent	Bucks	Harrow	Hillingdon	Hounslow	Slough	Other
2	7	5	9	62	7	4	4

After consultation and a fee banding review with Hillingdon Local Authority, the largest provider, in April 2021, the Local Authority agreed to an increase in the School fees adopting the revised fee structure which all other Local Authorities had adopted the year before.

The Curriculum

The School continues to offer a broad and balanced curriculum. The Curriculum Intent is to “Prepare for life beyond School” and the three curriculum pathways are designed to lead to each pupil’s most likely destination when they leave. Pathway 1 or the pre-formal curriculum, for those with most complex needs, Pathway 2 or semi-formal curriculum for those who need a mixture of developmental and formal curricula and Pathway 3 or formal curriculum for those who are likely to move on to training and employment.

Staff have devised assessment frameworks to complement these and has introduced Evidence for Learning, an application to track the progress of children and young people towards outcomes as set out in their Education, Health and Care Plans (EHCP’s). Students achieve accreditation in ASDAN Transition Challenge, ASDAN Bronze Award, Functional Skills Entry Level1, 2 or 3 and Art Entry Level Exams. The School uses Positive Behaviour Support (PBS), a values-led, person-centred approach that seeks to understand behaviours and change systems and culture. It also uses ‘The Thrive Approach’, a social and emotional assessment and intervention programme. The School employs a full-time occupational therapist and a speech therapist and has capacity for 2 OT’s and 3 Speech and Language Therapists.

School life post Covid-19

Upon return in September 2021, the School took the decision to continue to minimise interactions and movements across the School. Access to specialist teaching areas were reintroduced in order for students to access specialist environments to aid learning.

In October the School experienced an increase in the numbers of infections and measures were increased to reduce the spread. Some home learning and teachers delivering lessons from their homes due to continued self-isolation guidelines were implemented.

On 8 October, students were invited to be vaccinated at School. A small portion took this up, with some students attending their local vaccination instead.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

School life post Covid-19 (continued)

The RE Section 48 Inspection took place on 8 October by the Diocese of Westminster. The overall summary of the findings was that Classroom Religious Education was judged to be overall Good, and the Content of Religious Classroom Education to be Outstanding.

The Catholic Life of the School was judged to Outstanding in all areas.

The School continues to embed changes in preparation for a Section 5 Ofsted Inspection.

In Spring 2022 student excursions and community skills lessons were fully re-introduced, the first time since Covid-19 so that the important independence skills of accessing the community could be developed in real life scenarios. External work experience placements also restarted.

The Sixth Form introduced additional courses through Pearson & AQA approval to ensure that Numeracy and Literacy leads can run the accredited courses that they wish to run to match their curriculum to meet the needs and aspirations of the students. Full diplomas are more aspirational for students and once completed will show further destinations a wider skill set that the students possess. Entry Level Art Exams have also been introduced.



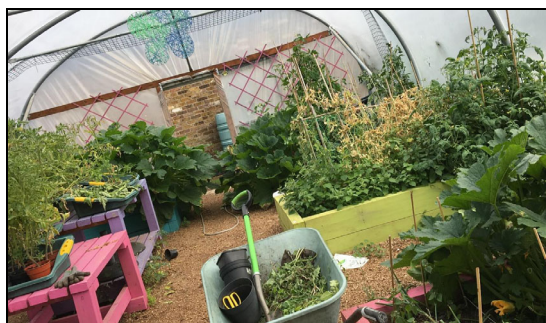
Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

School life post Covid-19 (continued)

Students also returned to developing the “soil to table projects” with the full reintroduction of horticulture. This continues to be a strength at the School, developing employability skills as well as awareness of sustainability.



Personnel

The School appointed a Sixth Form Coordinator, Administration Manager and a Positive Behaviour Support Coach to further develop communication opportunities for students with communication difficulties. A Signalong Tutor was employed to develop a Total Communication Approach. The School continued to experience a significant level of absence due to Covid and other reasons. A number of staff left post Covid and the School has struggled to appoint suitably skilled permanent staff and as a result the School has had to rely on costly long term supply staff.

School improvements

The post 16-College was redecorated and the first Sixth Form Pathway 1 class was established in St Anthony's. This area catered for the needs of those students with the most complex needs. Individual learning working environments were developed for those who need it to access learning and therapies and develop independent life skills.



The School invested in a number of specialist bicycles to support gross motor development as well as the regulation of students sensory processing needs. This further enhanced the use of the School cycle track and mobility centre.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

School improvements (continued)



IT equipment was updated to support home learning, remote working when self-isolating and iPads were purchased for the new assessment framework.

Future Plans

- ◆ To further develop the outdoor area of the Complex Needs Hub within the Sixth Form
- ◆ To review the current residential provision on offer in order to meet the changing needs of the current student population.
- ◆ Install a new audio-visual system in the School chapel.
- ◆ To review the School fees, residential fees and fee banding structure.

Alleged fraud carried out by a School employee

In February 2022, Governors were informed that the School was expected to show a surplus of £12,000 for the year to 31 March 2022. However, in June 2022, Governors were informed that the School had a deficit in excess of £500,000.

Subsequent to the financial year end, the Governors requested further explanations for this unexpected deficit.

At the same time, queries were raised by the Finance Manager and trustees of the overall charity in relation to increased expenditure in relation to certain suppliers.

As a result, a detailed review of the School's financial records was carried out and a number of irregularities were uncovered. The auditors, bankers and HR and legal advisors were all notified of these findings as well as the Charity Commission by a Serious Incident Report on the 14 October 2022. It is believed that the irregularities are evidence of an alleged fraud which took place between July 2021 and September 2022 by a member of staff. As part of the investigations the staff member suspected of the alleged fraud was suspended and subsequently left the School's employment.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Field Heath House School, Uxbridge (continued)

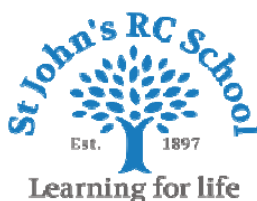
Alleged fraud carried out by a School employee (continued)

Forensic accountants were appointed by the School and an audit was carried out for internal purposes. This was completed in April 2023 and confirmed that the total amount allegedly misappropriated was £219,588.

The police were notified and in November 2022 they began an investigation. The investigation is ongoing.

As a result of the fraud, the School's financial controls have been reviewed and policies, actions and procedures have either been reinforced or introduced where necessary.

St John's Special School, Chigwell



St John's RC School is a non-maintained special School offering day provision for pupils aged 5 to 19 with a wide range of needs including moderate to severe learning difficulties, autistic spectrum disorder (ASD) and those with associated speech, language and communication difficulties. The School continues to be very popular with parents and Local Education Authorities (LEAs), with 99 pupils on roll. Based in Woodford Green, Essex the School has students from across the county as well as the London Boroughs. Although a Roman Catholic School, St John's welcomes pupils from all faiths and backgrounds.

Since September 2015, St John's has been in partnership with New City College and provides a 19-25 provision for those students who are not quite ready for mainstream college aiming to bridge this gap by meeting their individual needs. The post-19 provision continues to be very successful.

St John's is very proud of its team of highly skilled and dedicated staff, including music, speech and language therapists, learning mentors and learning support assistants who work together to ensure that all pupils achieve and grow in confidence and self-esteem within a community of care and learning; developing their independent living skills to their full potential. By offering a curriculum that is varied and challenging and allowing students to progress through the School, many will achieve accreditation through AQA awards, OCR, Asdan and BTEC where appropriate.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Currently the following local Education Authorities (LEAs) place children at St John's:

Barking & Dagenham	Enfield	Hackney	Newham	Redbridge	Tower Hamlets	Waltham Forest	Other
4	12	4	11	41	9	13	5

The School continues to offer a broad and balanced curriculum, which meets the needs of our young people and promotes preparation for adulthood. The curriculum covers functional maths, English, RE and ICT as well as offering a number of practical subjects such as PE, food technology and horticulture. The sixth form students complete a BTEC accreditation and the formal curriculum students in key stage 4 complete ASDAN and AQA awards.

The School offers a sensory, semi-formal and formal curriculum depending on a pupil's individual needs and the targets set out in their Educational Health care plans.

Pupils

The School currently has 99 pupils on role from 10 different local authorities. We receive a number of referrals throughout the year and we are currently full for September 2022, depending on confirmation of funding. The pupils all have an educational health care plan and their individual needs range from global development delay, autism, downs syndrome, and a large number have communication difficulties. Given these issues. we are very fortunate to have a team of Speech and language therapists, music therapist and occupational health therapist on site.

Personnel

The staff turnover remains quite low. We have recently appointed both a new Maths and PSHE co-ordinator from our existing staff and we will welcome two new teachers from September replacing one who has left to further their career and another who has retired. We do employ a number of agency staff who work as learning support assistants. In total we now employ 106 staff across the School and post-19



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

School improvements

The track that we had installed last Summer continues to be a real asset to the School and is very well used by both staff and students. The School has purchased some additional bikes, trikes and scooters to use on the track.



This year a sensory circuit adjacent to the field track has also been installed which is proving very popular with all students. The circuit consists of a hurdles section, sprung stepping stones and climbing frame. In August 2022 the School added to the circuit with the addition of some wooden stepping stones.



The greenhouse and garden area continues to be improved and updated. the students enjoy planting and growing a wide range of home produce and flowers.



The displays around the School reflect the curriculum being taught and encompass the values that we install in our students and celebrate their successes.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

School improvements

The displays around the School reflect the curriculum being taught and encompass the values that we install in our students and celebrate their successes.



Future Plans

The School food technology room is very dated and we are having the area modernised and refurbished in the Summer break.

The School is also fortunate to have a teaching flat and beauty room both of which we are planning to re-decorate and upgrade within the next academic year.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place. This process was deemed particularly important during the Covid-19 pandemic.

The impact the Covid pandemic had on the School

The School remained open during the duration of the Covid pandemic except for the first two weeks when the initial lockdown was announced when the School used the time to organise remote learning.

The numbers of students attending were very limited, even though the government stated that all young people with an educational health care plan should be able to attend School during this period. A lot of parents/carers felt that they would be safer at home.

A programme of remote learning was in place and all students were contacted on a daily basis either via email, telephone or via zoom.

Staff worked remotely if they were deemed to be clinically vulnerable all other staff worked on-site on a rota system to eliminate any excessive risk to both staff and pupils of contracting Covid.

A number of staff and pupils did contract Covid over the two-year period but the School only had to close two classes during this time due to a positive cases.

The School returned to full capacity in September 2021, with very few pupils isolating.

Activities, achievements, specific objectives and relevant policies (continued)

Employees

Both Schools strive to be equal opportunities employers and apply objective criteria to assess merit. They aim to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Financial review

Results for the year

A summary of the year's results can be found on page 29 of this report and accounts.

The statement of financial activities shows net expenditure and a decrease in funds during the year of £355,317 (2021 – net increase of £506,714) with total income amounting to £8,983,849 (2021 – £8,813,048) and expenditure totalling £9,339,166 (2021 – £8,306,334).

Total income includes £8,736,172 (2021 – £8,684,692) of education fees and related charges generated by the charity's educational establishments.

Other income includes donations and sundry income in the year.

Total expenditure comprises expenditure on the charity's Schools and educational establishments of £9,119,578 (2021 – £8,306,334) and also includes £219,588 specifically related to alleged fraudulent activity. The majority of expenditure relates to staff costs at the two Schools which totalled £7,155,747 (2021 – £6,658,054).

Deducting expenditure from income for the year gives a net expenditure figure for the year of £355,317 (2021 – net income £506,714). One of the reasons for this deficit in the year relates to the alleged fraud at Pield Heath House School which is believed to have taken place during the period July 2021 to September 2022. Provision has also been made for old debtors in Pield Heath House School to the value of £122,517 that it is anticipated are unlikely to be recoverable. These two issues have led to the deficit in the year ending March 2022.

Reserves policy and financial position

Reserves policy

The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to education, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position

The charity balance sheet shows total reserves of £6,572,459 (2021 – £6,927,776).

Included in this figure was an amount of £712,757 (2021 – £693,329) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts, together with an analysis of movements in the year.

The tangible fixed assets fund totals £2,066,669 (2021 – £2,158,806) and is represented by those tangible fixed assets not financed out of restricted funds.

The balance of general funds at 31 March 2022 was £3,793,033 (2021 – £4,075,641). These funds are deemed sufficient by the trustees being consistent with the reserves policy set out above.

Governance, structure and management

Governance

In terms of Civil law, the charity is governed by a trust deed dated 23 May 1983 and is a registered charity, Charity Registration No. 287232. The trustees of the charity are appointed by the Congregational Leader (the Congregational Leader is appointed in terms of canon law and is elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation). All trustees are members of the Congregation and have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees spend some time with those trustees leaving office. They also meet with the Congregation's Professional advisers in order to obtain a full briefing of their responsibilities and the charity's position. They have also attended appropriate study days.

According to the Trust Deed the maximum number of trustees shall not exceed eight in number. They are – The Congregational Leader, four Team Members, General Secretary and the General Treasurer.

During the year all or some of the trustees attended:

- ◆ The Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Trustee training sessions put on by Buzzacott LLP and DE Ford, Insurance Brokers Limited

Governance, structure and management (continued)

Governance (continued)

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Catherine Collins (retired 02.02.22)

Sister Catherine entered the Congregation in February 1964. After qualifying as a teacher in 1971, she taught children with special needs in Pontville, Ormskirk, Lancashire for three years. In 1975 she was assigned to a teaching position at Lwitikila Girl's Secondary School in Zambia, becoming principal of the School for her last three years there. From 1987 until 2002 she ministered in California, teaching in the Sacred Heart Elementary School from 1987 to 1997, after which she went to St Louis University to study at the Institute for Religious Formation. From 1998 Sister Catherine worked in the Regional Office of the Congregation in California until 2002 when she was appointed Congregational Leader, a position she held until 2008. After a short period in the Philippines she was appointed General Treasurer in January 2012.

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Sister Nora Emperor (retired 02.02.22)

Sister Nora entered the Congregation in September 1967. She trained as a cook following the City and Guilds course at Guildford College, Surrey. After completion of the course she worked in St Dominic's School, Hambledon, Surrey and later went to work in The Jane Hodge Residential Care Home in Cardiff. When Marian House Nursing Home was opened in 1988 she was appointed to organise the kitchen. She remained there until 1994 when she was missioned to Zambia, Africa.

Governance, structure and management (continued)

Governance (continued)

Sister Nora was trained as a Formator at the Kalundu Study Centre, Lusaka and for the next twelve years worked in the Formation programme of our newer members both in Zambia and in the UK.

On her return to Zambia in 2006 she was appointed co-ordinator of Sunsuntula, the Day Care Centre for children orphaned by the AIDS epidemic. She remained at the Centre in Mbala until she was elected to the Leadership Team in August 2014.

Sister Eileen McLoughlin (retired 02.02.22)

Sister Eileen entered the Congregation in 1976 having trained as a Primary School Teacher in Glasgow, Scotland. She taught initially in Cranleigh Residential School for Children with special needs and then for nine years in St John Fisher Primary School in Loughton, Essex.

In 1999 Sister Eileen became the Vocations Promoter for the UK and Ireland before being assigned to Colombia in 2003. There she initiated a programme for young people and adults with special needs in a very poor part of Bogota. Sister Eileen, returned to England in 2002 and later become part of the leadership team in 2008 and is still a member of the present team.

Sister Mary Mangan (retired 02.02.22)

Mary Mangan was born in Ireland in 1943. She is a teacher by profession having qualified in 1967 and with twenty-three years' experience between the classroom and Principal of Schools. She was instrumental in handing over a School to another body that carried on the educational work. In 1990 she went to Ireland to develop a service for children/adults with Intellectual Disability – to de-institutionalise the service and set up a community-based service.

During 1996 - 2002 she served on the Congregation's Leadership Team. In 2002-2003 she took a Sabbatical. During 2003 - 2010 she worked with an NGO Ruhama in Dublin, Ireland with women affected by prostitution and women trafficked for sexual exploitation. She retired in 2010 but continued to raise awareness around human trafficking and was influential in setting up an inter-congregational group of religious in Dublin, Ireland to raise awareness against Human Trafficking. She was a member of the Core Group of a Religious European Network against Trafficking Exploitation. She was also involved in spiritual direction ministry. Throughout her career she kept abreast of human development and spiritual growth programmes. In 2014 at the Congregation's General Chapter she was elected Congregational Leader of the Sisters of the Sacred Hearts of Jesus and Mary.

Governance, structure and management (continued)

Governance (continued)

Sister Lorna Walsh (retired 02.02.22)

Sister Lorna joined the Congregation in 1966. She had trained as a teacher at Notre Dame College, Liverpool before joining the Sisters. She taught in St Dominic's Primary School, Homerton and then in St John's Open Air School and when the School closed she went with the students to St Dominic's School, Hambledon as Deputy Head. While at St Dominic's, Sister Lorna obtained a BSc from the Open University and in 1976 went to Sacred Heart School, Dagenham as a Science Teacher. She was appointed as Head of Science. When Sacred Heart School merged with Bishop Ward School to become All Saints School, Sister Lorna was appointed as Head of Science for the combined School. In 1990 Sister Lorna was elected to the Leadership Team as Councillor and served for six years until 1996. She then moved to California and worked in low cost housing with the Sisters of Mercy becoming a Senior Manager and working with the homeless population of San Francisco. In 2014 she returned to the UK and was elected onto the Leadership Team.

Sister Rosemary Clerkin (appointed 02.02.22)

Sister Rosemary Clerkin entered the Congregation in November 1953. Having completed her Novitiate training she trained as a teacher at Notre Dame College of Education in Liverpool (1956–1958) and subsequently taught in St. Mary's School Pembroke Dock Wales (1958–1966). In 1968, having completed a Diploma in the Teaching of Maladjusted children & Young people at the Institute of Education, University College London, she taught for four years in St. Laurence's Home Office Approved School for girls in Frant Sussex.

She was appointed Principal of Allerton Priory School for Girls with Special Educational Needs.(1972–1978). Sister Rosemary was appointed to the Congregation's Formation Programme In 1990 and in 1990 became Superior of Sacred Heart Convent Dagenham. During this time she set up a Day Centre with Nursery for Refugees & Asylum seekers, since known as Harmony House. From 1996–2008 she was a member of the Leadership Team. Since then she has been a member of the Field Heath community in Uxbridge, where she continues research into the Congregation's history.

Sister Elizabeth Dawson (appointed 02.02.22)

Sister Elizabeth Dawson entered the Congregation in January 1965. After qualifying as a teacher in 1974 she taught at St John's Special School, gaining a diploma in teaching Special Needs in 1978. In 1985 Sister Elizabeth transferred to Pontville Residential Special School in Ormskirk, Lancashire where she was head teacher.

In 1995, Sister Elizabeth went to Zambia and for five years lectured at the Zambian Institute of Special Education (ZAMISE), an in-service College for teachers training to teach children with special educational needs. From 2000, she was engaged in developing Bauleni Street Kids Project which caters for children and young people who are orphaned, vulnerable or disabled. In August 2008, she was elected as Congregational Leader.

After completing her term of office in August 2014 Sister Elizabeth went to Cebu, Philippines where she initiated a 'Home/School Education Programme' for children and young people with complex disabilities who were not able to attend a special education provided by the state.

Governance, structure and management (continued)

Governance (continued)

She returned to England in December 2016 to take up the role of Community Leader in Marian House, Uxbridge, a community for our senior sisters. In March 2022 she was appointed Treasurer General for the Congregation and returned to live in the Chigwell Community.

Sister Mary Cathie MacInnes (appointed 02.02.22)

Sister Mary Cathie entered the Congregation in the year 2000 from the island of Eriskay in the Western Isles. Before joining the Congregation Sister Mary Cathie worked in the retail business and on the domestic care side of the local Hospital. In 2000 when she left the Western Isles she worked in Pield Heath Special School, gaining experience in teaching youngsters with special educational needs. In 2003 Sister Mary Cathie attended Uxbridge College where she attained a PCET in 2005 for her future role teaching Post 16 adults with Special Educational Needs. In 2006, Sister Mary Cathie was then missioned to Zambia where she opened a Unit for Post 16 Adults with Educational Needs and later in 2009 she became a Director of the Pastoral Needs of the School. In 2013 Sister Mary Cathie returned to the UK to fulfil a pastoral role in a parish in the East End of London until 2015. In 2015 she joined the Community in the Congregation's House of Prayer in North Wales where she continues her pastoral care in the local community and is involved in the running of the House of Prayer as a member of a Team of 6.

Sister Julie Rose (appointed 02.02.22)

Sister Julie entered the Congregation in 1986 having already obtained her teaching certificate from St Mary's, Strawberry Hill, in 1979 and her diploma in Special Needs in 1984 from the North East London Polytechnic Barking. She gained her MA in Education from Brunel University in 2006. She has taught in St John's Special School, Chigwell and for many years was the Principal of Pield Heath Special School. Sister Julie served on the Congregational Leadership Team from 2002 until 2014 and during that time was a trustee of the UK Charity and Director of the Irish Trust and continued to be the Co-ordinator for the 2 Special Schools.

Sister Julie was elected as Congregational Leader at the Chapter in 2021, prior to her election as Congregational Leader she was the Executive Principal of both special Schools, supporting trustees and governors in strategic planning and governance.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Governance, structure and management (continued)

Trustees' responsibilities (continued)

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management

The trustees consider that they together with the Headteachers of the Schools, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The pay of the Headteachers of the Schools is reviewed by the governors and is based on the School Teachers Pay and Conditions Document and Statutory Regulations affecting the employment and conduct of teaching staff, and for associate staff the National Joint Council for Local Government Services Terms and Conditions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the senior staff and Governors.

The charity is connected also to Harmony House Community Interest Company (Company Registration No 06565448 (England and Wales)). Several of those who served as trustees of the charity during the year are directors of the company. There were no transactions between the charity and the company.

Governance, structure and management (continued)

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster and Brentwood
- ◆ Local Authorities where the Schools are situated;
- ◆ National Association of Special Schools;
- ◆ “Network” safeguarding group of religious Congregations; Governance, structure and management (continued)

Public Benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“There are two things in life, Jesus Christ and the poorest of God’s people”

The main area in which the charity has provided public benefit is in its educational activities. While the Congregation is no longer able to provide teaching by Sisters in the UK, the work of our Schools, all focused on pupils with special needs, continues to produce excellent results. All pupils are assessed by Local Authorities.

Both Schools maintain a Catholic ethos, whilst welcoming pupils from all faiths and religious backgrounds. Members of the Congregation, all with many years of specialist experience, voluntarily serve on the Schools’ boards of governors, providing guidance and assistance as required.

One Sister was Executive Principal of our two Schools (until 31st March 2022) and attended all Governors’ meetings, interviews and deals with all legal matters pertaining to employment and training of staff. She reported to the trustees every three months. This Sister became the Congregational Leader and trustee on the 2nd February 2022 and is still attending all Governors meetings to be able to report back to the remaining trustees.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place.

Governance, structure and management (continued)

Risk management (continued)

The trustees have identified the following main areas of risk which may impact on the charity:

- ◆ Covid-19
- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Covid-19

- ◆ The outbreak of the Covid-19 pandemic clearly presented the trustees with challenges and threats to the well-being of the Schools and their activities which could not have been foreseen. The trustees and governors recognise their responsibility for the management of risks faced by the Schools.
- ◆ Both Schools were closed for a very short period following the outbreak of the pandemic and specific Covid-19 risk assessments were completed for both sites.
- ◆ Actions taken include social distancing being enforced on site and signage in place across the Schools, temperatures of all pupils and staff being checked on arrival, PPE equipment being available for both staff and pupils and remote learning being in place for all students when required.
- ◆ The Schools continue to follow government guidelines in regards to the pandemic and its aftermath.

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. We have a trustee who has comprehensive training in all matters pertaining to safeguarding.

Financial

- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.

Governance, structure and management (continued)

Risk management (continued)

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the charity should it be the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in the Schools the highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ Ofsted carry out inspections of the Schools at very short notice.
- ◆ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2022 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Report of the trustees Year to 31 March 2022

Summary and acknowledgements

This report is a brief summary of the work of the charity during the year to 31 March 2022. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2022.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation who are involved with the Schools. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved by the trustees on: 18 September 2023

Independent auditor's report to the trustees of The Sacred Hearts Sisters 1983 Charitable Fund

Opinion

We have audited the accounts of The Sacred Hearts Sisters 1983 Charitable Fund (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

19 September 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	1	56,896	5,986	62,882	36,217	3,427	39,644
Charitable activities							
. Provision of education	2	8,346,429	389,743	8,736,172	8,170,974	513,718	8,684,692
Other sources	3						
. Miscellaneous income		151,110	33,685	184,795	59,468	29,244	88,712
Total income		8,554,435	429,414	8,983,849	8,266,659	546,389	8,813,048
Expenditure on:							
Charitable activities							
. Provision of education	4	8,709,592	409,986	9,119,578	7,762,845	543,489	8,306,334
. Loss arising from alleged fraud	5	219,588	—	219,588	—	—	—
Total expenditure		8,929,180	409,986	9,339,166	7,762,845	543,489	8,306,334
Net (expenditure) income and net movement in funds	8	(374,745)	19,428	(355,317)	503,814	2,900	506,714
Reconciliation of funds:							
Fund balances brought forward at 1 April 2021		6,234,447	693,329	6,927,776	5,730,633	690,429	6,421,062
Fund balances carried forward at 31 March 2022		5,859,702	712,757	6,572,459	6,234,447	693,329	6,927,776

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities in the above two financial periods derived from continuing operations.

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		2,625,132		2,718,975
Current assets					
Debtors	12	1,030,461		775,580	
Short term deposits		128,304		154,075	
Cash at bank and in hand		3,452,613		3,548,340	
		4,611,378		4,477,995	
Liabilities:					
Creditors: amounts falling due within one year	13	(664,051)		(269,194)	
Net current assets			3,947,327		4,208,801
Total net assets			6,572,459		6,927,776
The funds of the charity					
Restricted funds	14		712,757		693,329
Unrestricted funds					
. Tangible fixed assets fund	15	2,066,669		2,158,806	
. General fund		3,793,033		4,075,641	
			5,859,702		6,234,447
			6,572,459		6,927,776

Approved by the trustees and signed on their behalf by:

Sister Julie Rose

Trustee

Approved on: 18 September 2023

Statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	175,370	780,203
Cash flows from investing activities:			
Purchase of tangible fixed assets		(296,868)	(442,371)
Net cash used in investing activities		(296,869)	(442,371)
Change in cash and cash equivalents in the year		(121,498)	337,832
Cash and cash equivalents at 1 April 2021	B	3,702,415	3,364,583
Cash and cash equivalents at 31 March 2022	B	3,580,917	3,702,415

Notes to the statement of cash flows for the year to 31 March 2022.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(355,317)	506,714
Adjustments for:		
Depreciation charge	363,325	326,495
Net loss on disposal of tangible fixed assets	4,541	14,250
Increase in debtors	(219,587)	(145,353)
Increase in creditors	382,408	78,097
Net cash provided by operating activities	175,370	780,203

B Analysis of net debt i.e. cash and cash equivalents

	2022 £	2021 £
Short term deposits (less than three months)	128,304	154,075
Cash at bank and in hand	3,452,613	3,548,340
Total cash and cash equivalents	3,580,917	3,702,415

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2022 with comparative information provided in respect to the year to 31 March 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ Determining the quantum of the alleged fraud during the year;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Assessment of going concern (continued)

In making that assessment, the trustees have considered the impact of the alleged fraud on the charity's financial position.

The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, legacies, investment income and interest receivable, income from charitable activities and other income including the surplus on the disposal of tangible fixed assets and other property.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided, or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises fees and related charges for the provision of education. In addition to fees and related charges in respect to the provision of education, the charity's two Schools receive grants from the Department for Education and other trusts and foundations.

Income derived from the levying of fees and charges for the provision of education is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Income arising from the disposal of interests in land, including the sale of land subject to a reversionary clause in favour of the charity, are accounted for in accordance with the legal agreements relating to such disposals. The amounts receivable are measured at fair value and accounted for when the amounts due are capable of such measurement and when receipt is probable. In reality, this is on the legal completion of the sale of the relevant land.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of education. Such costs included in providing education at the charity's two Schools for children with special needs include:-

- ◆ Teaching costs i.e. the cost of teaching and support staff salaries, including pensions and national insurance contribution, educational needs such as books and learning resources and activities.
- ◆ Welfare costs i.e. all domestic costs associated with the Schools including employment costs, consumables and catering costs.
- ◆ Premises costs i.e. all costs associated with the premises, grounds and estate belonging to the charity and used for the purposes of education.
- ◆ Administration costs i.e. the costs which are directly attributable to the management of the charity's assets and organisational procedures.

All expenditure is stated inclusive of irrecoverable VAT.

The loss arising from the alleged fraud has been determined following a detailed review of the School's financial records by specialist forensic accountants. The loss arose during the period July 2021 to September 2022 and the full estimated loss during that period has been accounted for in these accounts.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

- ◆ **Inalienable land and buildings**

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided Schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

- ◆ **Other freehold land and buildings**

The original land and buildings were financed and provided by the Congregation and as such the assets were transferred to the CIO at 31 March 2019. Expenditure to adapt and improve the buildings financed directly by the Schools is capitalised in these accounts. Such improvements are depreciated at between 2% and 10% per annum.

The specialist cycle track at Pield Heath School is depreciated at 5% per annum (i.e. over 20 years) on a straight line basis.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

- ◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a three to five year period on a straight line basis.

- ◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the Schools and homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

For the purpose of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation who are trustees.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Total funds: Donations	56,896	5,986	62,882	36,217	3,427	39,644

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Provision of education						
Education fees and charges	6,336,126	—	6,336,126	6,127,186	—	6,127,186
Grants, contracts and agreements						
.. Department for Education						
.. Base Funding	1,976,667	—	1,976,667	1,982,258	—	1,982,258
.. Standards Fund	45,060	—	45,060	—	—	—
.. Capital improvements grant	—	82,187	82,187	—	75,150	75,150
.. Looked after Children	—	11,743	11,743	—	6,229	6,229
.. Covid Catch up Premium	—	46,285	46,285	—	11,580	11,580
.. Covid Mass testing Grant	—	—	—	61,530	—	61,530
.. Mass testing exception	(11,424)	—	(11,424)	—	11,607	11,607
.. Schools Emergency support	—	—	—	—	49,793	49,793
.. Covid Staff Cover Costs	—	—	—	—	117,104	117,104
.. Covid Tutoring Grant	—	5,243	5,243	—	—	—
.. Covid Recovery Premium	—	6,308	6,308	—	—	—
.. Teachers' Pension Grant	—	82,875	82,875	—	102,917	102,917
.. PE Grant	—	23,203	23,203	—	25,653	25,653
.. Teachers' Pay Grant	—	67,059	67,059	—	37,139	37,139
.. Pupil Premium	—	64,840	64,840	—	76,546	76,546
	2,010,303	389,743	2,400,046	2,043,788	513,718	2,557,506
Total funds	8,346,429	389,743	8,736,172	8,170,974	513,718	8,684,692

3 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Total funds: Other miscellaneous income	151,110	33,685	184,795	59,468	29,244	88,712

4 Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Teaching	6,152,305	358,408	6,510,713	5,601,171	442,347	6,043,518
Welfare	629,389	15,538	644,927	491,395	30,144	521,539
Premises (including depreciation)	1,114,787	35,155	1,149,942	1,004,576	70,953	1,075,529
Management of the Schools	750,345	885	751,230	621,834	45	621,879
Allocation of support costs (note 6)	62,766	—	62,766	43,869	—	43,869
Total funds	8,709,592	409,986	9,119,578	7,762,845	543,489	8,306,334

5 Alleged fraud

In February 2022, Governors of Field Heath House School were informed that the School was expected to show a surplus of £12,000 for the year to 31 March 2022. However, in June 2022, they were informed that the School had a deficit in excess of £500,000.

Subsequent to the financial year end, the governors requested further explanations for this unexpected deficit.

At the same time, queries were raised by the Finance Manager and trustees of the charity in relation to increased expenditure in relation to certain suppliers.

As a result, a detailed review of the School's financial records was carried out and a number of irregularities were uncovered. The auditors, bankers and HR and legal advisors were all notified of these findings as well as the Charity Commission by a Serious Incident Report on the 14 October 2022. It is believed that the irregularities are evidence of an alleged fraud which took place between July 2021 and September 2022 by a member of staff. As part of the investigations the staff member suspected of the alleged fraud was suspended and subsequently left the School's employment.

Forensic accountants were appointed by the School and an audit was carried out for internal purposes. This was completed in April 2023 and confirmed that the total amount allegedly misappropriated was £219,588.

The police were notified and in November 2022 they began an investigation. The investigation is ongoing.

As a result of the fraud, the School's financial controls have been reviewed and policies, actions and procedures have either been reinforced or updated where necessary.

6 Support costs

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Legal and professional fees	17,460	—	17,460	19,954	—	19,954
Governance costs (note 7)	45,180	—	45,180	23,820	—	23,820
Miscellaneous expenditure	126	—	126	95	—	95
Total funds	62,766	—	62,766	43,869	—	43,869

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Total funds:						
Professional fees	45,180	—	45,180	23,820	—	23,820

8 Net (expenditure) income and net movement in funds

This is stated after charging:

	Total 2022 £	Total 2021 £
Staff costs (note 9)	7,155,747	6,658,054
Auditor's remuneration:		
. Statutory audit – overall accounts	3,840	4,260
. Non-statutory audit – Schools	32,340	19,560
Depreciation	363,325	326,495
Operating lease rentals	32,371	35,259

9 Staff costs and remuneration of key management

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	5,133,112	5,101,974
Social security costs	452,180	438,384
Other pension costs	555,758	528,455
	6,141,050	6,068,813
Payments to agency staff	999,968	575,024
Apprenticeship levy	14,729	14,217
	7,155,747	6,658,054

Payments to agency staff reflect the cost of supply teaching staff and agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2022 £	2021 £
Staff costs per function were as follows:		
Provision of education	7,155,747	6,658,054
	7,155,747	6,658,054

There were six employees (2021 - five) who earned between £60,000 and £70,000 per annum, one employee (2021 - nil) who earned between £70,001 and £80,000 per annum, and one employee (2021 - one) who earned between £90,001 and £100,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year. Employer's pension contributions into the defined benefit scheme for those employees totalled £127,937 (2021 - £98,164).

The average number of employees, analysed by function, was:

	2022 No.	2021 No.
Provision of education	211	205

During the year, the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprised the trustees, the governors of the Schools and Headteachers of the Schools. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £223,287 (2021 - £220,791).

No trustee or governor received any remuneration in respect to their services during the year (2021 - £nil) nor any reimbursements of expenses (2021 - £nil).

10 Taxation

The Sacred Hearts Sisters 1983 Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2021	4,215,035	776,829	188,911	5,180,775
Additions	159,508	114,515	—	274,023
Disposals	(119,185)	(79,597)	(4,843)	(203,625)
At 31 March 2022	<u>4,255,358</u>	<u>811,747</u>	<u>184,068</u>	<u>5,251,173</u>
Depreciation				
At 1 April 2021	1,822,071	472,413	167,316	2,461,800
Charge for the year	218,373	136,596	8,356	363,325
On disposals	(116,929)	(77,313)	(4,842)	(199,084)
At 31 March 2022	<u>1,923,515</u>	<u>531,696</u>	<u>170,830</u>	<u>2,626,041</u>
Net book values				
At 31 March 2022	<u>2,331,843</u>	<u>280,051</u>	<u>13,238</u>	<u>2,625,132</u>
At 31 March 2021	<u>2,392,964</u>	<u>304,416</u>	<u>21,595</u>	<u>2,718,975</u>

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

Certain of the charity's properties are subject to covenants which restrict their use and disposal.

12 Debtors

	2022 £	2021 £
Education fees and charges	928,104	513,219
Prepayments and accrued income	100,449	71,020
Other debtors	1,908	191,341
	<u>1,030,461</u>	<u>775,580</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxes	135,508	60,980
Accruals and deferred income	89,936	40,781
Alleged fraud	113,743	—
Other creditors	324,864	167,433
	664,051	269,194

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Capital grants fund	183,840	82,187	(42,994)	223,033
St John's R.C. Special School development fund	35,962	—	(9,745)	26,217
Pield Heath House School appeal fund	97,712	1,234	(6,512)	92,434
Pield Heath House School cycle track and mobility training centre fund	171,510	—	(13,193)	158,317
Other restricted funds	204,305	345,693	(337,242)	212,756
	693,329	429,114	(409,686)	712,757

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Capital grants fund	148,221	75,151	(39,532)	183,840
St John's R.C. Special School development fund	50,801	—	(14,839)	35,962
Pield Heath House School appeal fund	104,409	534	(7,231)	97,712
Pield Heath House School cycle track and mobility training centre fund	184,703	—	(13,193)	171,510
Other restricted funds	202,295	470,704	(468,694)	204,305
	690,429	546,389	(543,489)	693,329

The specific purposes for which the funds are to be applied are as follows:

♦ Capital grants fund

This fund represented the liability of the trustees to repay to Government Departments any grants made from public funds towards the capital costs of buildings, additions or improvements thereto, such grants being subject to an undertaking to repay in the event of the asset ceasing to be used for the purpose for which the grant was made.

♦ St John's R.C. Special School development fund

This fund was established in 1994 to raise monies to enhance the development of St John's School.

♦ Pield Heath House School appeal fund

This fund was established as a separate fund on 3 November 1988. The fund consists of monies donated to the appeal specifically set up to raise and manage funds required to finance the redevelopment and maintenance of the School buildings, and any other improvements, which from time to time may be necessary. Appeal funds may also be used for any purpose connected with the School, its equipment and pupils, at the discretion of the appeal committee.

14 Restricted funds (continued)

In the event that the appeal fund is dissolved for any reason, any assets remaining shall be given to the School for its general purposes.

In the event that the premises no longer function as a School, the monies may be used at the discretion of the trustees of the Sacred Hearts Sisters 1983 Charitable Fund.

Transfers from the fund represent expenditure on tangible fixed assets. When the asset is purchased, an amount equal to its cost is released to unrestricted funds.

- ♦ **Pield Heath House School cycle track and mobility training centre fund**
This fund represents the net book value of the specialist cycle track and mobility training centre at Pield Heath House School, Hillingdon, Middlesex which was constructed by Hillingdon Council with support from TfL and Marathon Trust.
- ♦ **Other restricted funds**
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes and Schools.

15 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 April 2021	2,158,806	2,061,182
Net movement in year	(92,137)	97,624
At 31 March 2022	2,066,669	2,158,806

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the Schools and home fund. A decision was made to separate this fund from the other funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

16 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	—	2,066,669	558,463	2,625,132
Net current assets	3,793,033	—	154,294	3,947,327
Total net assets	3,793,033	2,066,669	712,757	6,572,459
	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	2,158,806	560,169	2,718,975
Net current assets	4,075,641	—	133,160	4,208,801
Total net assets	4,075,641	2,158,806	693,329	6,927,776

17 Pension commitments

Retirement benefits for academic employees of the charity's Schools are provided by a defined benefit scheme, the Teachers' Pension Scheme (TPS), which is funded by contributions from the charity and the employees.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £20 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The contributions payable to the Scheme for the year were £445,552 (2021 - £420,793).

18 Operating lease commitments

At 31 March 2022, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2022 £	2021 £
Operating lease payments due:		
. Within one year	30,210	30,210
. One to two years	26,901	30,210
. Two to five years	33,648	62,443
	90,759	122,863

19 Related party transactions

Until 2 February 2022 the trustees of the Charitable Trust were also the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO, (Charity Registration Number: 1179804).

During the year the Charitable Trust paid the CIO £7,246 (2021 - £7,654) towards staffing costs borne by the CIO in administering the Charitable Trust. The Charitable Trust paid the CIO £290,000 (2021 - £290,000) in the year as a rental for the 2 Schools buildings occupied under licence by the Charitable Trust along with a payment of a salary for one sister who remains employed by the Charitable Trust of £76,793 (2021 - £75,914). The CIO donated £40,800 (2021 - £31,931) to one of the Schools within the Charitable Trust during the year to assist towards staffing costs.

There were no other related party transactions during the year which require disclosure (2021 - none).

20 Other connected entities

Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales)) works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough. Several of the trustees of the charity are directors of the Community Interest Company.

21 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's Schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

22 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees. The Congregation within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in the United Kingdom.

THE SACRED HEARTS SISTERS 1983 CHARITABLE FUND

England & Wales - Charity number 287232

Accounts

**The Sacred Hearts
Sisters 1983
Charitable Fund**

Annual Report and Accounts

31 March 2021

Charity Registration Number
287232

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Catherine Collins Sister Kathleen Corbett Sister Nora Emperor Sister Eileen McLoughlin Sister Mary Mangan Sister Lorna Walsh
The Superior General	Sister Mary Mangan
The Secretary General	Sister Kathleen Corbett
The General Treasurer	Sister Catherine Collins
Principal address	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
Telephone	020 8504 1624
Website	www.sacredheartsjm.org
Charity registration number	287232
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 91 High Street Brentwood Essex CM1 4RU
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
Insurance Brokers	DE Ford Insurance Brokers Limited Poppleton Grange Low Poppleton Lane York YO26 6GZ

Report of the trustees Year to 31 March 2021

The trustees present their statutory report together with the accounts of the Sacred Hearts Sisters 1983 Charitable Fund (the charity) for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 29 to 34 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in Statement of Recommended Practice on “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later”.

Introduction

The Congregation of the Sisters of the Sacred Hearts of Jesus and Mary (the Congregation) is an International Roman Catholic Religious Congregation supporting 112 sisters worldwide. It was founded in France in 1866. The United Kingdom Congregation became an independent entity in 1903 and has its headquarters at Chigwell Convent in Essex.

The sisters have, over the years, engaged in a variety of services for the poor and deprived, and serve in the United Kingdom, Ireland, USA, Zambia, Uganda, El Salvador and the Philippines.

The Mission Statement of the Sisters is:

*“We, the Sisters of the Sacred Hearts of Jesus and
Mary,
urged by the compassion of Christ
and responsive to the anguish of Peoples and Planet,
are called to help shape Communities
of Gentleness, Justice and Peace
that witness to the healing, liberating and empowering
love of God.”*

Introduction (continued)

With effect from midnight on 31 March 2019, in accordance with a legal transfer of undertakings and a resolution of the trustees, certain of the activities, assets and liabilities of the Charitable Trust were transferred as a going concern into a newly formed Charitable Incorporated Organisation (CIO), Sisters of the Sacred Hearts of Jesus and Mary CIO, (the CIO) (Charity Registration Number: 1179804).

Mission

Since the transfer of the majority of assets and congregational activities to the newly formed charitable CIO, The Sacred Hearts Sisters 1983 Charitable Trust continues to support the main activity of education and running two schools, St John's Special School, Chigwell and Pield Heath House School, Uxbridge.

Activities, achievements, specific objectives and relevant policies

Education

The trustees are responsible for both schools providing education and care of pupils with special needs. Both schools throughout the year, following on from last year, continue to have discussions with external partners, local diocese and the Catholic Education Service in terms of future governance and leadership.

Pield Heath House School, Uxbridge



Pield Heath House School is a non-maintained, co-educational school for young people with special educational needs between the ages of 7 and 19 years, recognised by the Department for Education and under the Trusteeship of The Sacred Hearts Sisters 1983 Charitable Fund.

The school offers day, residential and respite provision to young people with moderate to severe learning difficulties, autistic spectrum disorders and associated speech, language and communication difficulties within a warm and caring environment where daily life is underpinned by Christian principles.

Since its foundation in 1901, Pield Heath House School has helped young people with learning difficulties to develop their full potential. They have a highly skilled and deeply committed team that prides itself on providing a holistic approach to education, within a caring, spiritual environment where every young person is of equal importance, valued for what they are and encouraged to reach their maximum potential. The staff are passionate in their work with the young people to encourage their progress, celebrate their achievements and inspire confidence in their futures, in close partnership with parents and carers. The school's main purpose is to maximise our students' life experience to enable their independence and inclusion in the wider community.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

During the financial year 2020-21 the number of students ranged between 98-100 with the majority of the students from Hillingdon Local Authority due to the demand for places for young people with additional needs in the borough. All students have an Education Health and Care Plan which outlines their needs and the provision required to meet those individual needs. Students needs range from moderate to severe with complex learning needs and difficulties in speech language and communication and sensory processing needs.

Students attending the school during the year came from the following Local Authorities:

- ♦ Barnet (1)
- ♦ Brent (10)
- ♦ Bucks (4)
- ♦ Ealing (3)
- ♦ Hammersmith and Fulham (1)
- ♦ Harrow (10)
- ♦ Hillingdon (55)
- ♦ Hounslow (8)
- ♦ Richmond (1)
- ♦ Slough (4)
- ♦ Surrey (3)

The school undertook a review of the curriculum provision following the Challenge Partner Quality Assurance Review in December 2019. Middle and senior leaders visited schools catering for a similar cohort of students to investigate provision particularly for those with complex needs. As a result of our collaboration with The Loddon School in February 2020, we adapted their PLLUSS curriculum known as the PH+ curriculum. (Personalised Learning for Life Using Supportive Strategies). In September 2020 this new pathway was implemented.

The school offers three curriculum pathways: the Pre-formal (PH+ Pathway 1), Semiformal (Pathway 2) and Formal (Pathway 3).

Students work toward gaining a range of accreditations starting at Key Stage 3 and Key Stage 4, ASDAN Personal Progress, Transition Challenge and Bronze Award and at Key Stage 5, NOCC qualifications leading to an Award, Certificate or Diploma.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

We held a reverse Advent Calendar to help the local food bank/parish with items they collected for Christmas. Aware that with the way things have been this year and how it is more important than ever to help out anyone who we can. Donations included; tinned food, dried food, packet food, Christmas decorations, small toiletry gift sets, small gifts for boys/girls, nice treats to make a difference to another family's joy at Christmas.



ROSE MEMORIAL GARDEN

As this has been such an emotional time for everyone, each class in the school was invited to plant a Rose of their choice in the school grounds. This garden will provide us with a place to think and pray for any loved ones we have lost. Thanks to our Outdoor Learning Development Manager for working with the students to plant and maintain this special garden.

MOTHER'S DAY

All members of VBC B very much enjoyed creating special presents for every student to take home to celebrate Mother's Day on 14 March.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)



THE WELL COMMUNITY CAFÉ

On 6 November – The team at “The Well” celebrated Black History Month by preparing a special menu – “A Taste of Africa” creating some delicious dishes. Our favourite feedback was “Thank you to all involved with cooking such delicious food. It made me a tad emotional as it bought back childhood memories of my dad's cooking”

Covid-19

As was expected by all schools across the country during the first National Lockdown in March 2020, a comprehensive remote learning plan was implemented which involved online lessons, remote therapy, resources sent home and providing partial provision on a rota basis. A communication framework was implemented to ensure families whose students remained at home kept in contact and continued learning. Those families who required access to IT were provided with iPads or laptops.

In September 2020 the majority of students returned to school. The initial survey of parents indicated that they felt confident for their child or young person to return. Of the 100 students, only 1 student remained at home due to her parents' high level of anxiety and anticipation of a “second wave”.

All staff completed a survey prior to returning and risk assessments were completed accordingly. All staff returned to school in September. Those who identified themselves as having high levels of anxiety were risk assessed and support put in place. Training for all staff was held regarding the precautionary measures in place as a result of the risk assessment carried out to maximise risk reduction measures.

All staff were provided with their individual PPE packs, had training in the use of PPE and the safe ways to dispose thereof. The school was divided into six bubbles (5 education) which enable a rota of playtimes and breaks.

Students did not leave their class for specialist lessons in order to minimise traffic around the school. One-way systems were put in place and arrows to provide visual aids painted on the ground. Specialist teachers and therapists visited classes with instruction to change PPE between each classroom setting.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

Pield Heath House School, Uxbridge (continued)

Covid-19 (continued)

During the period September – October 2020 we were fortunate to have no reported positive cases of Covid-19 up until 5 October. By the end of the half term we had 1 teacher and 4 SSA's diagnosed as Covid positive and 8 teachers and 25 SSA's having to self-isolate. The main reason for this was the lack of social distancing outside of the school. The school consulted and took advice from Public Health England (PHE) and the Department for Education (DFE) as outlined in national guidelines.

This had some impact on the teaching and learning as non-specialist teachers were delivering lessons they would previously have had no experience.

In January the return of students was delayed until Monday 11 January which provided the school with time to set up the testing site infrastructure and train those who volunteered to support the process. The school reopened to those young people identified as most vulnerable or those whose parents were key workers.

Students attending onsite provision during the period January to March ranged between 54% and 58%. A number of specialist staff did not attend due to Covid related anxiety and this led to non-specialists delivering lessons. Most staff engaged with the process and were tested twice weekly and students were tested once weekly.

As in most schools nationwide the pandemic had a traumatic effect on students, staff and their families.

In spite of these challenges it enabled us to evaluate and re-invent how we deliver our provision. It provided us the opportunity to enhance our person-centred approach with a focus encapsulating all areas of learning, particularly the emotional wellbeing and resilience of the students and staff.

School improvements

KS2 and KS3 classrooms and school corridors were redecorated as part of the plan to standardise a low arousal environment throughout the school. All the carpets throughout the common areas have been replaced to compliment this environment. Much needed storage space in St Paul's and the VBC Staff Resource room was added.

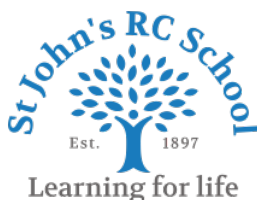
Break out rooms in two complex needs classrooms have been refurbished which will enable those students who may require 1:1 work space for short periods or to provide a sensory area for the class. In addition, work including disability access to the school community café, The Well, has been completed.

Further development of the IT infrastructure was also carried out.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell



St John's RC School is a non-maintained special school offering day provision for pupils aged 5 to 19 with a wide range of needs including moderate to severe learning difficulties, autistic spectrum disorder (ASD) and those with associated speech, language and communication difficulties. The School continues to be very popular with parents and Local Education Authorities (LEAs), with 96 pupils on roll.

Since September 2015, St John's has been in partnership with New City College and provides a 19-25 provision for those students who are not quite ready for mainstream college aiming to bridge this gap by meeting their individual needs. The post-19 provision continues to be very successful.

Based in Woodford Green, Essex the School has students from across the county as well as the London Boroughs. Although a Roman Catholic school, St John's welcomes pupils from all faiths and backgrounds.

St John's is very proud of its team of highly skilled and dedicated staff, including music, speech and language therapists, learning mentors and learning support assistants who work together to ensure that all pupils achieve and grow in confidence and self-esteem within a community of care and learning; developing their independent living skills to their full potential. By offering a curriculum that is varied and challenging and allowing students to progress through the School, many will achieve accreditation through AQA awards, OCR, Asdan and BTEC where appropriate.

The number of students with language and communication difficulties has increased over the past twelve months and students who present with challenging behaviours are less common than in previous years.

Currently the following Local Education Authorities (LEAs) place children at St John's:

- ◆ Redbridge (46)
- ◆ Newham (12)
- ◆ Waltham Forest (10)
- ◆ Enfield (8)
- ◆ Tower Hamlets (7)
- ◆ Barking and Dagenham (4)
- ◆ Hackney (4)
- ◆ Essex (3)
- ◆ Brent (1)
- ◆ Camden (1)

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

The School continues to offer a broad and balanced curriculum, which meets the needs of our young people and promotes progress and preparation for adulthood. We offer a range of practical subjects which include horticulture, sport and enterprise. The students complete BTEC qualifications in all of the aforementioned areas but in the forthcoming year this will be reviewed due to the changing cohort of students and their emerging needs.

The school offers a pre-formal, semi-formal and formal curriculum depending on the pupils' individual needs and the targets set out in their Educational Health and Care Plans.

The school currently has 96 pupils on role from 10 different local authorities. We receive a number of referrals throughout the year and we are currently full for September 2022, depending on confirmation of funding. The pupils all have an Educational Health and Care Plan and their individual needs range from student's global development delay, autism and downs syndrome. A large number have communication difficulties, which is why we are very fortunate to have a team of Speech and language therapists, music therapist and occupational health therapist on site.

The school has a very stable staff with limited turnover. A few members of staff have retired over the past year and two of the learning support assistants have moved on to further develop their careers. The more complex nature of some of our pupils has meant that we have increased the number of learning support assistants and we have employed another Speech and Language therapist to meet the needs of our young people's Educational, Health and Care Plans.

Operational and Covid-19

During the first two weeks of the initial lockdown, the school was closed. This gave the school time to organise and set up systems for those students coming into school and those where parents had chosen to keep them at home (the majority initially).

Communication systems were set up to ensure that staff contacted the families daily by email or phone. Families without access to ICT were provided with equipment such as iPads and laptops. Every student was posted a 'hard copy' of the upcoming week's class work weekly.

Initially, the majority of the families choose to keep their children at home, with the lowest number of students on site being 8. This number slowly increased with an initial average of 40-50%, finally stabilising at around 80% before all students returned to school. Currently there are 3 students still at home for specific reasons – but the ongoing virtual offer remains for them, and the Head reports that staff have ensured high levels of contact have been maintained, including access to school assemblies and religious celebrations.

In January the school set up an onsite testing centre for all staff, to enable testing twice a week. Since April, staff and students that are able, test at home using lateral flow tests.

Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

Operational and Covid-19 (continued)

Temperatures of staff and children are taken on entry to the school daily, and this remains in place now.

Staff have been prioritised for vaccination, and currently there are only 2 out of 106 staff who have not been vaccinated.

When students were at home, therapists played an additional role in providing virtual sessions such as cooking, music sessions etc. The school felt that this had a significant positive impact and was well received. The SALT, OT and Music therapist all played a very proactive part in delivering this offer.

The school reports very good feedback from parents with regards to the virtual offer and level of creative communication provided by school. In addition to therapeutic activities, the school provided social stories, sensory stories, cooking activities, class live sessions, assemblies etc

The school had evidence of numerous Risk Assessments – which staff report had been reviewed and reissued repeatedly for all aspects of school life. Along with guidance, the school increased its cleaning regime, set up a one-way system in some parts of the school, masks are worn when walking around outside class and on transport. Hot meals were reinstated during the Lent term. The staff recognised that in June the guidance may relax further, but staff have kept the arrangements in place until the end of the Summer term.

School improvements

We have invested in a track on the top field which has proved very popular. Due to lockdown both our staff and students had seen a reduction in the amount of physical activity they had been doing so the installation of the track on the field has proved very popular. The track is marked with distance markers and 8 laps is the equivalent to walking a mile.



Activities, achievements, specific objectives and relevant policies (continued)

Education (continued)

St John's Special School, Chigwell (continued)

School improvements (continued)

We have also purchased a number of bicycles, balance bikes and scooters which have been used on both the field and in the playground. This has encouraged the students to use the bikes in a safe and enclosed space, something they find difficult to experience offsite.

This year we have also installed a number of raised beds on the field and next to the greenhouse. These have been used by the students to grow vegetables and flowers. They have not only helped in the horticulture lessons but in a number of other areas of the curriculum.



The kitchen in the post 16 block has been completely redeveloped, improving the old kitchen by increasing the size and updating the equipment. The old kitchen has been redeveloped into a new classroom.

We have also installed a new sound and recording system in the gym which will greatly enhance the delivery of assemblies and drama and music lessons and productions. It will also enable us to use the system on the field when we return to sports and fun days.

A lot of the ICT equipment has also been updated and improved.

We now have new fire safety compliant fire doors throughout the whole site.

Future plans

Pield Heath is hoping to develop the Sixth Form Complex Needs Hub to further enhance the PH+ curriculum, developing students independent and functional skills within a bespoke learning environment and to review the current residential provision on offer in order to meet the changing needs of the current student population.

Both schools continue to ensure pupil numbers are maintained and continue to provide pupils with the highest standards and support to ensure all children are supported and cared for throughout their education.

Financial review

Results for the year

A summary of the year's results can be found on page 26 of this report and accounts.

The statement of financial activities shows net income and an increase in funds during the year of £506,714 (2020 – £437,427) with total income amounting to £8,813,048 (2020 - £8,484,468) and expenditure totalling £8,306,334 (2020 - £8,047,041).

Total income includes £8,684,692 (2020 - £8,316,612) of education fees and related charges generated by the charity's educational establishments.

Other income includes donations and sundry income in the year.

Total expenditure comprises expenditure on the charity's schools and educational establishments of £8,306,334 (2020 - £8,038,794). The major part of the expenditure on both the schools is staff costs which totalled £6,658,054 (2020 - £6,343,402) representing payments to the schools' staff.

Deducting expenditure from income for the year gives a net income figure for the year of £506,714 (2020 – £437,427).

Reserves policy and financial position

Reserves policy

The trustees of the charity have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work going forward in respect to education, the level of free reserves should be between 3 and 6 months' projected expenditure.

Financial position

The charity balance sheet shows total reserves of £6,927,776 (2020 - £6,421,062).

Included in this figure was an amount of £693,329 (2020 - £690,429) which was restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts, together with an analysis of movements in the year.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

The tangible fixed assets fund totals £2,158,806 (2020 - £2,061,182) and is represented by those tangible fixed assets not financed out of restricted funds.

The balance of general funds at 31 March 2021 was £4,075,641 (2020 - £3,669,451). These funds are deemed sufficient by the trustees being consistent with the reserves policy set out above.

Governance, structure and management

Governance

In terms of Canon law, the Congregation is governed at an international level by the Congregational Leader and her General Council. They are elected every six years at a General Chapter which is a meeting of representatives from all areas of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the Sisters throughout the Congregation and to secure a good skills mix among them.

In terms of Civil law, the charity is governed by a trust deed dated 23 May 1983 and is a registered charity, Charity Registration No. 287232. The trustees of the charity are the six members of the Leadership Team. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees spend some time with those trustees leaving office. They also meet with the Congregation's Professional advisers in order to obtain a full briefing of their responsibilities and the charity's position. They have also attended appropriate study days.

According to the Trust Deed the maximum number of trustees shall not exceed eight in number. They are – The Congregational Leader, four Team Members, General Secretary and the General Treasurer.

During the year all or some of the trustees attended:

- ◆ The Provincial Bursars Conference, High Leigh, Hertfordshire
- ◆ Catholic Charities Conference, Church House, London
- ◆ Safeguarding Children in the Catholic Church (CSAS)
- ◆ National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI)
- ◆ Trustee training sessions put on by Buzzacott LLP and DE Ford, Insurance Brokers Limited

Governance, structure and management (continued)

Governance (continued)

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. Brief biographical details on each of the trustees in office at the date on which this report was signed are given below:

Sister Catherine Collins

Sister Catherine entered the Congregation in February 1964. After qualifying as a teacher in 1971, she taught children with special needs in Pontville, Ormskirk, Lancashire for three years. In 1975 she was assigned to a teaching position at Lwitikila Girl's Secondary School in Zambia, becoming principal of the school for her last three years there. From 1987 until 2002 she ministered in California, teaching in the Sacred Heart Elementary School from 1987 to 1997, after which she went to St Louis University to study at the Institute for Religious Formation. From 1998 Sister Catherine worked in the Regional Office of the Congregation in California until 2002 when she was appointed Congregational Leader, a position she held until 2008. After a short period in the Philippines she was appointed General Treasurer in January 2012.

Sister Kathleen Corbett

Sister Kathleen entered the Congregation in September 1964. After qualifying as a State Registered Nurse she worked as a theatre nurse in St Winefred's Hospital Cardiff from 1974 until 1978. She joined the staff of our Convalescent Home in Kelton, Aigurth, Liverpool and worked there until 1985. She followed a course in tropical medicine and obtained a certificate in Tropical Medicine at Liverpool School of Tropical Medicine, University of Liverpool. In 1986 she was missioned to Zambia where she worked for twenty years.

On returning to the UK she obtained a Certificate in Further Education at the University of Wales. She returned to Zambia and was appointed Principal of the School of Nursing in Chilonga Hospital. She remained in post until she was made Matron of Chilonga Hospital, Mpika, Zambia.

Sister Kathleen was then appointed to the role of superior/administrator of our mission in Mbala, Zambia. She attended a Training for Formation programme in Kalundu Study Centre, Lusaka and has, since 1989 been involved in administration and formation within the Congregation. She spent two years in Uganda doing Pastoral Ministry in Mukono. Returning to the UK in 2009 she took up the post of Superior in our Residential Care Home in Herne Bay. Since 2009 she has been involved in the formation programme of our newer members. She was elected to the Leadership Team in August 2014.

Sister Nora Emperor

Sister Nora entered the Congregation in September 1967. She trained as a cook following the City and Guilds course at Guildford College, Surrey. After completion of the course she worked in St Dominic's School, Hambledon, Surrey and later went to work in The Jane Hodge Residential Care Home in Cardiff. When Marian House Nursing Home was opened in 1988 she was appointed to organise the kitchen. She remained there until 1994 when she was missioned to Zambia, Africa.

Governance, structure and management (continued)

Governance (continued)

Sister Nora was trained as a Formator at the Kalundu Study Centre, Lusaka and for the next twelve years worked in the Formation programme of our newer members both in Zambia and in the UK.

On her return to Zambia in 2006 she was appointed co-ordinator of Sunsuntula, the Day Care Centre for children orphaned by the AIDS epidemic. She remained at the Centre in Mbala until she was elected to the Leadership Team in August 2014.

Sister Eileen McLoughlin

Sister Eileen entered the Congregation in 1976 having trained as a Primary School Teacher in Glasgow, Scotland. She taught initially in Cranleigh Residential School for Children with special needs and then for nine years in St John Fisher Primary School in Loughton, Essex.

In 1999 Sister Eileen became the Vocations Promoter for the UK and Ireland before being assigned to Colombia in 2003. There she initiated a programme for young people and adults with special needs in a very poor part of Bogota. Sr Eileen, returned to England in 2002 and later become part of the leadership team in 2008 and is still a member of the present team.

Sister Mary Mangan

Mary Mangan was born in Ireland in 1943. She is a teacher by profession having qualified in 1967 and with twenty three years' experience between the classroom and Principal of Schools. She was instrumental in handing over a school to another body that carried on the educational work. In 1990 she went to Ireland to develop a service for children/adults with Intellectual Disability – to de-institutionalise the service and set up a community based service.

During 1996 - 2002 she served on the Congregation's Leadership Team. In 2002-2003 she took a Sabbatical. During 2003 - 2010 she worked with an NGO Ruhama in Dublin, Ireland with women affected by prostitution and women trafficked for sexual exploitation. She retired in 2010 but continued to raise awareness around human trafficking and was influential in setting up an inter-congregational group of religious in Dublin, Ireland to raise awareness against Human Trafficking. She was a member of the Core Group of a Religious European Network against Trafficking Exploitation. She was also involved in spiritual direction ministry. Throughout her career she kept abreast of human development and spiritual growth programmes. In 2014 at the Congregation's General Chapter she was elected Congregational Leader of the Sisters of the Sacred Hearts of Jesus and Mary.

Governance, structure and management (continued)

Governance (continued)

Sister Lorna Walsh

Sister Lorna joined the Congregation in 1966. She had trained as a teacher at Notre Dame College, Liverpool before joining the Sisters. She taught in St Dominic's Primary School, Homerton and then in St John's Open Air School and when the school closed she went with the students to St Dominic's School, Hambledon as Deputy Head. While at St Dominic's, Sister Lorna obtained a BSc from the Open University and in 1976 went to Sacred Heart School, Dagenham as a Science Teacher. She was appointed as Head of Science. When Sacred Heart School merged with Bishop Ward School to become All Saints School, Sister Lorna was appointed as Head of Science for the combined school. In 1990 Sister Lorna was elected to the Leadership Team as Councillor and served for six years until 1996. She then moved to California and worked in low cost housing with the Sisters of Mercy becoming a Senior Manager and working with the homeless population of San Francisco. In 2014 she returned to the UK and was elected onto the Leadership Team.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance, structure and management (continued)

Key management

The trustees consider that they together with the Headteachers of the schools, along with the Executive Principal, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees are members of the Congregation they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The pay of the Headteachers of the schools is reviewed by the governors and is based on the School Teachers Pay and Conditions Document and Statutory Regulations affecting the employment and conduct of teaching staff, and for associate staff the National Joint Council for Local Government Services Terms and Conditions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

The charity is connected also to Harmony House Community Interest Company (Company Registration No 06565448 (England and Wales)). Several of those who served as trustees of the charity during the year are directors of the company. There were no transactions between the charity and the company.

Working with other organisations

The charity has worked closely with other organisations, charities and public bodies. Working together enhances communication and understanding thus enabling our services and ministries to provide more efficiently and effectively and avoids the duplication of effort. Some of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Diocese of Westminster and Brentwood
- ◆ Local Authorities where the schools are situated;
- ◆ National Association of Special Schools;
- ◆ "Network" safeguarding group of religious Congregations;

Governance, structure and management (continued)

Public Benefit

Both the charity and the religious Congregation are called to serve by the words of the founder of the Congregation, Father Victor Braun:

“There are two things in life, Jesus Christ and the poorest of God’s people”

The main area in which the charity has provided public benefit is in its educational activities. While the Congregation is no longer able to provide teaching by Sisters in the UK, the work of our schools, all focused on pupils with special needs, continues to produce excellent results. All pupils are assessed by Local Authorities.

Both schools maintain a Catholic ethos, whilst welcoming pupils from all faiths and religious backgrounds. Members of the Congregation, all with many years of specialist experience, voluntarily serve on the schools’ boards of governors, providing guidance and assistance as required.

One Sister is Executive Principal of our two schools and attends all Governors’ meetings, interviews and deals with all legal matters pertaining to employment and training of staff. She reports to the trustees every three months.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The trustees and governors continue to review and update the risks as well as the documents and procedures in place. This process is deemed particularly important during the current Covid-19 pandemic.

The trustees have identified the following main areas of risk which may impact on the charity:

- ◆ Covid-19
- ◆ Governance and management
- ◆ Safeguarding
- ◆ Financial
- ◆ Reputational
- ◆ Operational

Governance, structure and management (continued)

Risk management (continued)

Covid-19

- ◆ The outbreak of the Covid-19 pandemic has clearly presented the trustees with challenges and threats to the well-being of the schools and their activities which could not have been foreseen. The trustees and governors recognise their responsibility for the management of risks faced by the schools.
- ◆ Both schools were closed for a period following the outbreak of the pandemic and specific Covid-19 risk assessments have been completed for both sites.
- ◆ Actions taken include social distancing being enforced on site and signage in place across the schools, temperatures of all pupils and staff being checked on arrival, PPE equipment being available for both staff and pupils and remote learning being in place for all students when required.
- ◆ The schools continue to follow government guidelines in regards to the pandemic.

Governance and management

- ◆ The leadership of the charity endeavour to lead by example so that they can be seen to be authentically living out our Mission Statement and the Founding Vision of our Founder Father Victor Braun.
- ◆ We have engaged lay members of staff who are aware of our ethos.

Safeguarding

- ◆ We have adopted the safeguarding policies set out in the National Safeguarding Procedures Manual of the Catholic Church in England and Wales for Children and Adults at Risk, for our communities and places of work in the UK. We have a trustee who has comprehensive training in all matters pertaining to safeguarding.

Financial

- ◆ We have an Anti-Fraud, Bribery and Anti-Corruption Policy in place.

Reputational

- ◆ Media responses, prepared by a Public Relations specialist, are circulated to the charity should it be the target of adverse publicity.

Operational

- ◆ The trustees take very seriously the demands of Local Government Authorities. To ensure that in the schools the highest quality of care is provided in a safe environment there is a Health and Safety person who gives regular training sessions to the members of staff on the safe handling of food, equipment, moving and handling of people, moving and handling of objects.
- ◆ Ofsted carry out inspections of the Schools at very short notice.

Governance, structure and management (continued)

Risk management (continued)

Operational (continued)

- ♦ Leadership and senior management teams receive training in all aspects of Health and Safety so as to be aware of the risks and to put in place procedures to deal with them. Trustees meet with our Health & Safety Consultants on a regular basis. We also have a risk management consultant who advises us on new regulations and visits the premises that are used by the public on a regular basis.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Fundraising statement

We manage our own fundraising activities and do not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve the service. During the year ending 31 March 2021 we have not received any complaints.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time.

Summary and acknowledgements

This report is a brief summary of the work of the charity during the year to 31 March 2021. The accompanying accounts with this report show the movement of funds in the year ended 31 March 2021.

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation who are involved with the schools. Their dedication and positive approach are very much appreciated.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

Sister Catherine Collins

Trustee

Approved by the trustees on: 11 January 2022

Independent auditor's report to the trustees of The Sacred Hearts Sisters 1983 Charitable Fund

Opinion

We have audited the accounts of The Sacred Hearts Sisters 1983 Charitable Fund (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and safeguarding regulations.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes and reports from regulatory bodies.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 January 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies	1	36,217	3,427	39,644	9,360	24,768	34,128
Charitable activities							
. Provision of education	2	8,170,974	513,718	8,684,692	8,067,640	248,972	8,316,612
Other sources	3						
. Surplus on disposal of tangible fixed assets and other property		—	—	—	44,477	—	44,477
. Miscellaneous income		59,468	29,244	88,712	54,240	35,011	89,251
Total income		8,266,659	546,389	8,813,048	8,175,717	308,751	8,484,468
Expenditure on:							
Charitable activities							
. Provision of education	4	7,762,845	543,489	8,306,334	7,765,872	272,922	8,038,794
. Support of the sisters and their ministry	5	—	—	—	8,247	—	8,247
Total expenditure		7,762,845	543,489	8,306,334	7,774,119	272,922	8,047,041
Net income and net movement in funds	8	503,814	2,900	506,714	401,598	35,829	437,427
Reconciliation of funds:							
Fund balances brought forward at 1 April 2020		5,730,633	690,429	6,421,062	5,329,035	654,600	5,983,635
Fund balances carried forward at 31 March 2021		6,234,447	693,329	6,927,776	5,730,633	690,429	6,421,062

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities in the above two financial periods derived from continuing operations.

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		2,718,975		2,622,983
Current assets					
Debtors	12	775,580		625,635	
Short term deposits		154,075		154,075	
Cash at bank and in hand		3,548,340		3,210,508	
		<u>4,477,995</u>		<u>3,990,218</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(269,194)		(192,139)	
Net current assets			4,208,801		3,798,079
Total net assets			<u>6,927,776</u>		<u>6,421,062</u>
The funds of the charity					
Restricted funds	14		693,329		690,429
Unrestricted funds					
· Tangible fixed assets fund	15	2,158,806		2,061,182	
· General fund		<u>4,075,641</u>		<u>3,669,451</u>	
			6,234,447		5,730,633
			<u>6,927,776</u>		<u>6,421,062</u>

Approved by the trustees and signed on their behalf by:

Sister Catherine Collins

Trustee

Approved on: 11 January 2022

Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	780,203	693,639
Cash flows from investing activities:			
Purchase of tangible fixed assets		(442,371)	(645,934)
Proceeds from the disposal of tangible fixed assets		—	126,209
Net cash used in investing activities		(442,371)	(519,725)
Change in cash and cash equivalents in the year		337,832	173,914
Cash and cash equivalents at 1 April 2020	B	3,364,583	3,190,669
Cash and cash equivalents at 31 March 2021	B	3,702,415	3,364,583

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	506,714	437,427
Adjustments for:		
Depreciation charge	326,495	297,273
Net loss (gains) on disposal of tangible fixed assets	14,250	(44,477)
Increase in debtors	(145,353)	(25,888)
Increase in creditors	78,097	29,304
Net cash provided by operating activities	780,203	693,639

B Analysis of cash and cash equivalents

	2021 £	2020 £
Short term deposits (less than three months)	154,075	154,075
Cash at bank and in hand	3,548,340	3,210,508
Total cash and cash equivalents	3,702,415	3,364,583

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2021 with comparative information provided in respect to the year to 31 March 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgments and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ Assessing the probability of the receipt of legacy income;
- ◆ Assessing the recoverability of fees receivable in respect to charitable activities and the consequent need for any provision for doubtful debts;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Assessment of going concern (continued)

In making that assessment, the trustees have considered the continuing impact of the Covid-19 pandemic on the charity's income and expenditure and financial position.

During the year to 31 March 2021, the charity's schools were closed for a period of time for the majority of pupils. However, during that period the charity has continued to receive the majority of school fees and grant funding from Local Authorities and the ESFA and has continued to pay its staff and suppliers. Since the year end, the schools have continued to operate with minimal financial repercussions as a result of the pandemic.

Undoubtedly there will be some challenges ahead due to the continuing pandemic but the trustees do not expect material concerns to arise over the charity's financial position or going concern.

The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, legacies, investment income and interest receivable, income from charitable activities and other income including the surplus on the disposal of tangible fixed assets and other property.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided, or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises fees and related charges for the provision of education. In addition to fees and related charges in respect to the provision of education, the charity's two schools receive grants from the Department for Education and other trusts and foundations.

Income derived from the levying of fees and charges for the provision of education is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Grants from government departments and other trusts and foundations have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from other sources includes the surplus on the disposal of tangible fixed assets and property assets and miscellaneous income. The surplus on the disposal of tangible fixed assets and property assets is measured at fair value being the difference between the disposal proceeds and the net book value of the assets at the time of sale less any costs associated with the disposal. Such income is accounted for on an accruals basis and is accrued for with effect from the date on which the income is receivable under a signed contract for sale.

Income arising from the disposal of interests in land, including the sale of land subject to a reversionary clause in favour of the charity, are accounted for in accordance with the legal agreements relating to such disposals. The amounts receivable are measured at fair value and accounted for when the amounts due are capable of such measurement and when receipt is probable. In reality, this is on the legal completion of the sale of the relevant land.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is incurred on charitable activities on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of education. Such costs included in providing education at the charity's two schools for children with special needs include:-

- ◆ Teaching costs i.e. the cost of teaching and support staff salaries, including pensions and national insurance contribution, educational needs such as books and learning resources and activities.
- ◆ Welfare costs i.e. all domestic costs associated with the schools including employment costs, consumables and catering costs.
- ◆ Premises costs i.e. all costs associated with the premises, grounds and estate belonging to the charity and used for the purposes of education.
- ◆ Administration costs i.e. the costs which are directly attributable to the management of the charity's assets and organisational procedures.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the activity to which they relate or an allocation is made based on the proportion of the direct expenditure on each activity.

Tangible fixed assets

- ◆ **Inalienable land and buildings**

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

- ◆ **Other freehold land and buildings**

The original land and buildings were financed and provided by the Congregation and as such the assets were transferred to the CIO at 31 March 2019. Expenditure to adapt and improve the buildings financed directly by the schools is capitalised in these accounts. Such improvements are depreciated at between 2% and 10% per annum.

The specialist cycle track at Pield Heath School is depreciated at 5% per annum (i.e. over 20 years) on a straight line basis.

Major building improvements are capitalised and depreciated on a straight line basis at a rate of 10% per annum in order to write the improvements off over their estimated useful life to the charity.

- ◆ **Furniture and equipment**

Expenditure on the purchase and replacement of items of furniture and equipment, including computer equipment, with a cost in excess of £2,000 is capitalised and depreciated over a three to five year period on a straight line basis.

- ◆ **Motor vehicles**

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the schools and homes fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Pension costs

Contributions in respect to defined benefit schemes are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

Contributions in respect to defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Services provided by members of the Congregation

For the purpose of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation who are trustees.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Total funds: Donations	36,217	3,427	39,644	9,360	24,768	34,128

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Provision of education						
Education fees and charges	6,127,186	—	6,127,186	6,010,134	—	6,010,134
Grants, contracts and agreements						
.. Department for Education						
... Base Funding	1,982,258	—	1,982,258	2,057,506	—	2,057,506
... Capital improvements grant	—	75,150	75,150	—	56,046	56,046
... Looked after Children	—	6,229	6,229	—	—	—
... Covid Catch up Premium	—	11,580	11,580	—	—	—
... Covid Mass testing Grant	61,530	—	61,530	—	—	—
... Mass testing exception	—	11,607	11,607	—	—	—
... Schools Emergency support	—	49,793	49,793	—	—	—
.... Covid Staff Cover Costs	—	117,104	117,104	—	—	—
.. Teachers Pension Grant	—	102,917	102,917	—	62,609	62,609
.. PE Grant	—	25,653	25,653	—	24,383	24,383
.. Teachers Pay Grant	—	37,139	37,139	—	30,051	30,051
.. Pupil Premium	—	76,546	76,546	—	75,883	75,883
	2,043,788	513,718	2,557,506	2,057,506	248,972	2,306,478
Total funds	8,170,974	513,718	8,684,692	8,067,640	248,972	8,316,612

3 Income from other sources

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Surplus on the disposal of tangible fixed assets	—	—	—	44,477	—	44,477
Other miscellaneous income	59,468	29,244	88,712	54,240	35,011	89,251
Total funds	59,468	29,244	88,712	98,717	35,011	133,728

4 Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Teaching	5,601,171	442,347	6,043,518	5,586,476	240,777	5,827,253
Welfare	491,395	30,144	521,539	546,563	15,560	562,123
Premises (including depreciation)	1,004,576	70,953	1,075,529	1,048,482	16,548	1,065,030
Management of the Schools	621,834	45	621,879	529,113	37	529,150
Allocation of support costs (note 6)	43,869	—	43,869	55,238	—	55,238
Total funds	7,762,845	543,489	8,306,334	7,765,872	272,922	8,038,794

5 Support of the sisters and their ministry

Expenditure on the support of the sisters and their ministry enables the members of the Congregation to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of care, the advancement of education and the relief of poverty. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Premises costs	—	—	—	809	—	809
Allocation of support costs (note 6)	—	—	—	7,438	—	7,438
Total funds	—	—	—	8,247	—	8,247

6 Support costs

	Provision of education £	Provision of care £	Support of sisters and their ministry £	Total 2021 £	Basis of apportionment
Legal and professional fees	19,954	—	—	19,954	Pro rata expenditure
Governance costs (note 7)	23,820	—	—	23,820	Pro rata expenditure
Miscellaneous expenditure	95	—	—	95	Pro rata expenditure
	43,869	—	—	43,869	

	Provision of education £	Provision of care £	Support of sisters and their ministry £	Total 2020 £	Basis of apportionment
Legal and professional fees	31,238	—	4,395	35,633	Pro rata expenditure
Governance costs (note 7)	24,000	—	3,000	27,000	Pro rata expenditure
Miscellaneous expenditure	—	—	43	43	Pro rata expenditure
	55,238	—	7,438	62,676	

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Total funds:						
Auditor's remuneration	23,820	—	23,820	27,000	—	27,000

8 Net income and net movement in funds

This is stated after charging:

	Total 2021 £	Total 2020 £
Staff costs (note 9)	6,658,054	6,343,402
Auditor's remuneration:		
· Statutory audit – overall accounts	4,260	3,000
· Non-statutory audit – schools and homes	19,560	24,000
Depreciation	326,495	297,273
Operating lease rentals	35,259	37,656

9 Staff costs and remuneration of key management

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	5,101,974	4,848,932
Social security costs	438,384	409,262
Other pension costs	528,455	478,160
	6,068,813	5,736,354
Payments to agency staff	575,024	593,586
Apprenticeship levy	14,217	13,462
	6,658,054	6,343,402

Payments to agency staff reflect the cost of supply teaching staff and agency nurses used because of difficulties recruiting permanent employees as a result of the national shortage of such staff.

	2021 £	2020 £
Staff costs per function were as follows:		
Provision of education	6,658,054	6,343,402
	6,658,054	6,343,402

There were 5 employees (2020 – three) who earned between £60,000 and £70,000 per annum and 1 employee (2020 – 1 between £80-90,000) who earned between £90,000 and £100,000 per annum (excluding employer's pension contributions but including taxable benefits) during the year. Employer's pension contributions into the defined benefit scheme for those employees totalled £98,164 (2020 - £56,382).

The average number of employees, analysed by function, was:

	2021 No.	2020 No.
Provision of education	205	203

During the year, the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprised the trustees, the governors of the schools and Headteachers of the schools. During the year ended 31 March 2019, the Care Manager of the care home was also a member of the key management personnel.

No trustee or governor received any remuneration in respect to their services during the year (2020 - £nil) nor any reimbursements of expenses (2020 - £nil).

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £220,791 (2020 - £209,398).

10 Taxation

The Sacred Hearts Sisters 1983 Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	3,938,070	688,309	188,911	4,815,290
Additions	329,940	106,797	—	436,737
Disposals	(52,975)	(18,277)	—	(71,252)
At 31 March 2021	<u>4,215,035</u>	<u>776,829</u>	<u>188,911</u>	<u>5,180,775</u>
Depreciation				
At 1 April 2020	1,681,324	352,023	158,960	2,192,307
Charge for the year	183,127	135,012	8,356	326,495
On disposals	(42,380)	(14,622)	—	(57,002)
At 31 March 2021	<u>1,822,071</u>	<u>472,413</u>	<u>167,316</u>	<u>2,461,800</u>
Net book values				
At 31 March 2021	<u>2,392,964</u>	<u>304,416</u>	<u>21,595</u>	<u>2,718,975</u>
At 31 March 2020	<u>2,256,746</u>	<u>336,286</u>	<u>29,951</u>	<u>2,622,983</u>

As permitted under Financial Reporting Standard 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the land and buildings is based on cost, or where cost is not available, at a trustees' valuation made in 1996. As permitted by FRS 102, with effect from 1 April 2014, the values assigned to these properties are now deemed to be their cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

Certain of the charity's properties are subject to covenants which restrict their use and disposal.

12 Debtors

	2021 £	2020 £
Education fees and charges	513,219	548,510
Prepayments and accrued income	71,020	73,370
Other debtors	191,341	3,755
	<u>775,580</u>	<u>625,635</u>

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other taxes	60,980	—
Accruals and deferred income	40,781	132,010
Other creditors	167,433	60,129
	<u>269,194</u>	<u>192,139</u>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Capital grants fund	148,221	75,151	(39,532)	183,840
St John's R.C. Special School development fund	50,801	—	(14,839)	35,962
Pield Heath House School appeal fund	104,409	534	(7,231)	97,712
Pield Heath House School cycle track and mobility training centre fund	184,703	—	(13,193)	171,510
Other restricted funds	202,295	470,704	(468,694)	204,305
	690,429	546,389	(543,489)	693,329

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Capital grants fund	126,641	56,046	(34,466)	148,221
St John's R.C. Special School development fund	66,580	—	(15,779)	50,801
Pield Heath House School appeal fund	104,383	4,536	(4,510)	104,409
Pield Heath House School cycle track and mobility training centre fund	197,896	—	(13,193)	184,703
Other restricted funds	159,100	248,169	(204,974)	202,295
	654,600	308,751	(272,922)	690,429

The specific purposes for which the funds are to be applied are as follows:

♦ Capital grants fund

This fund represented the liability of the trustees to repay to Government Departments any grants made from public funds towards the capital costs of buildings, additions or improvements thereto, such grants being subject to an undertaking to repay in the event of the asset ceasing to be used for the purpose for which the grant was made.

♦ St John's R.C. Special School development fund

This fund was established in 1994 to raise monies to enhance the development of St John's School.

♦ Pield Heath House School appeal fund

This fund was established as a separate fund on 3 November 1988. The fund consists of monies donated to the appeal specifically set up to raise and manage funds required to finance the redevelopment and maintenance of the school buildings, and any other improvements, which from time to time may be necessary. Appeal funds may also be used for any purpose connected with the school, its equipment and pupils, at the discretion of the appeal committee.

In the event that the appeal fund is dissolved for any reason, any assets remaining shall be given to the school for its general purposes.

In the event that the premises no longer function as a school, the monies may be used at the discretion of the trustees of the Sacred Hearts Sisters 1983 Charitable Fund.

Transfers from the fund represent expenditure on tangible fixed assets. When the asset is purchased, an amount equal to its cost is released to unrestricted funds.

14 Restricted funds (continued)

- ♦ Pield Heath House School cycle track and mobility training centre fund
This fund represents the net book value of the specialist cycle track and mobility training centre at Pield Heath House School, Hillingdon, Middlesex which was constructed by Hillingdon Council with support from TfL and Marathon Trust.
- ♦ Other restricted funds
These funds comprise grants and donations received mainly in order to fund events at, and the purchase of equipment within, certain of the charity's homes and schools.

15 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
At 1 April 2020	2,061,182	81,730
Net movement in year	97,624	1,979,452
At 31 March 2021	2,158,806	2,061,182

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets which have not been financed out of restricted funds or the schools and home fund. A decision was made to separate this fund from the other funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

16 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	2,158,806	—	560,169	2,718,975
Net current assets	4,075,641	—	—	133,160	4,208,801
Total net assets	4,075,641	2,158,806	—	693,329	6,927,776

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:					
Tangible fixed assets	—	2,061,182	—	561,801	2,622,983
Net current assets	3,669,451	—	—	128,628	3,798,079
Total net assets	3,669,451	2,061,182	—	690,429	6,421,062

17 Pension commitments

Retirement benefits for academic employees of the charity's Schools are provided by a defined benefit scheme, the Teachers' Pension Scheme (TPS), which is funded by contributions from the charity and the employees.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £20 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The contributions payable to the Scheme for the year were £420,793 (2020 - £367,161).

18 Operating lease commitments

At 31 March 2021, the charity had the following future minimum commitments under non-cancellable leases:

	Equipment	
	2021	2020
	£	£
Operating lease payments due:		
. Within one year	30,210	31,267
. One to two years	30,210	31,087
. Two to five years	62,443	76,174
	122,863	138,528

19 Related party transactions

The trustees of the Charitable Trust are also the trustees of the Sisters of the Sacred Hearts of Jesus and Mary CIO, (Charity Registration Number: 1179804). With effect from midnight on 31 March 2019, certain of the activities, assets and liabilities of the Charitable Trust were transferred to the CIO in accordance with a legal transfer of undertakings deed.

During the year the Charitable Trust paid the CIO £7,654 (2020 - £7,140) towards staffing costs borne by the CIO in administering the Charitable Trust. The Charitable Trust paid the CIO £290,000 (2020 - £290,000) in the year as a rental for the 2 schools buildings occupied under licence by the Charitable Trust along with a payment of a salary for one sister who remains employed by the Charitable Trust of £75,914 (2020 - £73,855). The CIO donated £31,931 (2020 - £nil) to one of the schools within the Charitable Trust during the year to assist towards staffing costs.

There were no other related party transactions during the year which require disclosure (2020 – none).

20 Other connected entities

Harmony House Dagenham Community Interest Company (Company No. 06565448 (England and Wales)) works in partnership with the Local Authority, Community and Voluntary organisations in delivering a range of community based services and projects. For several years it has been at the forefront of support provision for refugees and other immigrant groups. It provides also childcare services including a nursery for children aged 3 months to 5 years and services for older people in the borough. Several of the trustees of the charity are directors of the Community Interest Company.

21 Contingent liability

A contingent liability arises in respect of allegations concerning the standard of care provided to children at the Congregation's schools between approximately 1960 and 1980. The amount involved cannot be quantified, but the trustees deny any liability based on the facts available to them.

22 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees. The Congregation within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in the United Kingdom.