

**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

<b>Trustees</b>	Sister Catherine Collins Sister Kathleen Corbett Sister Nora Emperor Sister Eileen McLoughlin Sister Mary Mangan Sister Lorna Walsh
<b>The Superior General</b>	Sister Mary Mangan
<b>The Secretary General</b>	Sister Kathleen Corbett
<b>The General Treasurer</b>	Sister Catherine Collins
<b>Principal address</b>	Chigwell Convent 803 Chigwell Road Woodford Bridge Essex IG8 8AU
<b>Telephone</b>	020 8504 1624
<b>Website</b>	<a href="http://www.sacredheartsjm.org">www.sacredheartsjm.org</a>
<b>Charity registration number</b>	287232
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC plc 91 High Street Brentwood Essex CM1 4RU
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Insurance Brokers</b>	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.

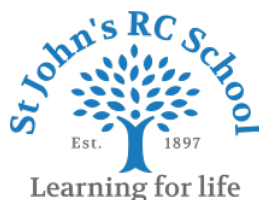
Break out rooms in two complex needs classrooms have been refurbished which will enable those students who may require 1:1 work space for short periods or to provide a sensory area for the class. In addition, work including disability access to the school community café, The Well, has been completed.

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](http://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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>8,266,659</b>	<b>546,389</b>	<b>8,813,048</b>	<b>8,175,717</b>	<b>308,751</b>	<b>8,484,468</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>7,762,845</b>	<b>543,489</b>	<b>8,306,334</b>	<b>7,774,119</b>	<b>272,922</b>	<b>8,047,041</b>
<b>Net income and net movement in funds</b>	8	<b>503,814</b>	<b>2,900</b>	<b>506,714</b>	<b>401,598</b>	<b>35,829</b>	<b>437,427</b>
<b>Reconciliation of funds:</b>							
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 £
<b>Fixed assets</b>					
Tangible assets	11		2,718,975		2,622,983
<b>Current assets</b>					
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>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(269,194)		(192,139)	
<b>Net current assets</b>			4,208,801		3,798,079
<b>Total net assets</b>			<u>6,927,776</u>		<u>6,421,062</u>
<b>The funds of the charity</b>					
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 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>780,203</b>	693,639
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(442,371)</b>	(645,934)
Proceeds from the disposal of tangible fixed assets		—	126,209
<b>Net cash used in investing activities</b>		<b>(442,371)</b>	(519,725)
<b>Change in cash and cash equivalents in the year</b>		<b>337,832</b>	173,914
<b>Cash and cash equivalents at 1 April 2020</b>	B	<b>3,364,583</b>	3,190,669
<b>Cash and cash equivalents at 31 March 2021</b>	B	<b>3,702,415</b>	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 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>506,714</b>	437,427
<b>Adjustments for:</b>		
Depreciation charge	<b>326,495</b>	297,273
Net loss (gains) on disposal of tangible fixed assets	<b>14,250</b>	(44,477)
Increase in debtors	<b>(145,353)</b>	(25,888)
Increase in creditors	<b>78,097</b>	29,304
<b>Net cash provided by operating activities</b>	<b>780,203</b>	693,639

#### B Analysis of cash and cash equivalents

	2021 £	2020 £
Short term deposits (less than three months)	<b>154,075</b>	154,075
Cash at bank and in hand	<b>3,548,340</b>	3,210,508
<b>Total cash and cash equivalents</b>	<b>3,702,415</b>	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 £
<b>Total funds: Donations</b>	<b>36,217</b>	<b>3,427</b>	<b>39,644</b>	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 £
<b>Provision of education</b>						
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
<b>Total funds</b>	<b>8,170,974</b>	<b>513,718</b>	<b>8,684,692</b>	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
<b>Total funds</b>	<b>59,468</b>	<b>29,244</b>	<b>88,712</b>	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
<b>Total funds</b>	<b>7,762,845</b>	<b>543,489</b>	<b>8,306,334</b>	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
<b>Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8,247</b>	<b>—</b>	<b>8,247</b>

**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
	<b>43,869</b>	<b>—</b>	<b>—</b>	<b>43,869</b>	

	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
	<b>55,238</b>	<b>—</b>	<b>7,438</b>	<b>62,676</b>	

**7 Governance costs**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>Total funds:</b>						
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
	<b>6,068,813</b>	5,736,354
Payments to agency staff	575,024	593,586
Apprenticeship levy	14,217	13,462
	<b>6,658,054</b>	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
	<b>6,658,054</b>	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 £
<b>Cost</b>				
At 1 April 2020	3,938,070	688,309	188,911	<b>4,815,290</b>
Additions	329,940	106,797	—	<b>436,737</b>
Disposals	(52,975)	(18,277)	—	<b>(71,252)</b>
At 31 March 2021	<u>4,215,035</u>	<u>776,829</u>	<u>188,911</u>	<u><b>5,180,775</b></u>
<b>Depreciation</b>				
At 1 April 2020	1,681,324	352,023	158,960	<b>2,192,307</b>
Charge for the year	183,127	135,012	8,356	<b>326,495</b>
On disposals	(42,380)	(14,622)	—	<b>(57,002)</b>
At 31 March 2021	<u>1,822,071</u>	<u>472,413</u>	<u>167,316</u>	<u><b>2,461,800</b></u>
<b>Net book values</b>				
At 31 March 2021	<u>2,392,964</u>	<u>304,416</u>	<u>21,595</u>	<u><b>2,718,975</b></u>
At 31 March 2020	<u>2,256,746</u>	<u>336,286</u>	<u>29,951</u>	<u><b>2,622,983</b></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	<b>513,219</b>	548,510
Prepayments and accrued income	<b>71,020</b>	73,370
Other debtors	<b>191,341</b>	3,755
	<u><b>775,580</b></u>	<u>625,635</u>

**13 Creditors: amounts falling due within one year**

	2021 £	2020 £
Social security and other taxes	<b>60,980</b>	—
Accruals and deferred income	<b>40,781</b>	132,010
Other creditors	<b>167,433</b>	60,129
	<u><b>269,194</b></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
	<b>690,429</b>	<b>546,389</b>	<b>(543,489)</b>	<b>693,329</b>

	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
	<b>654,600</b>	<b>308,751</b>	<b>(272,922)</b>	<b>690,429</b>

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	<b>2,158,806</b>	<b>2,061,182</b>

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 £
<b>Fund balances at 31 March 2021 are represented by:</b>					
Tangible fixed assets	—	2,158,806	—	560,169	2,718,975
Net current assets	4,075,641	—	—	133,160	4,208,801
<b>Total net assets</b>	<b>4,075,641</b>	<b>2,158,806</b>	<b>—</b>	<b>693,329</b>	<b>6,927,776</b>

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2020 £
<b>Fund balances at 31 March 2020 are represented by:</b>					
Tangible fixed assets	—	2,061,182	—	561,801	2,622,983
Net current assets	3,669,451	—	—	128,628	3,798,079
<b>Total net assets</b>	<b>3,669,451</b>	<b>2,061,182</b>	<b>—</b>	<b>690,429</b>	<b>6,421,062</b>

## 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
	<b>122,863</b>	<b>138,528</b>

## 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.