

**Society of
the Sacred
Heart
Charitable
Trust**

Annual Report and Accounts

30 June 2019

Charity Registration Number 227848



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Reference and administrative details of the charity its trustees and advisers

Trustees	Sister Christine Austin Sister Carol Condon (resigned 30 June 2019) Sister Christine Edwards Sister Catherine Lloyd (appointed 1 July 2019) Sister Jane Maltby (resigned 30 June 2019) Sister Sheila McNamara Sister Lorraine Pratt (resigned 30 June 2019) Sister Margaret Walshe Sister Margaret Wilson (appointed 1 July 2019) The trustees are incorporated under section 251 of the Charities Act 2011 as "The Trustees for the Society of the Sacred Heart".
Provincial Superior	Sister Jane Maltby (until 30 June 2019) Sister Catherine Lloyd (from 1 July 2019)
Administrative Address	3 Bute Gardens Hammersmith London W6 7DR
Telephone	020 8741 4688
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Charity Registration Number	227848
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 53-55 Uxbridge Road London W5 5SA

Reference and administrative details of the charity its trustees and advisers

Solicitors Pothe Cary Witham Weld
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London
SW1V 3RD

Stone King LLP
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Investment managers Sarasin & Partners LLP (until 13 May 2019)
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85 Queen Victoria Street
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The trustees present their annual report together with the accounts of the Society of the Sacred Heart Charitable Trust (the 'charity') for the year ended 30 June 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 36 to 42 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Society of the Sacred Heart (the 'Society') is an international Roman Catholic religious order of women (RSCJ). It is governed by its own Constitution. The Society is present on all continents and in forty-one countries, and is divided into Provinces by country or region. The central government of the Society - the General Council and the Treasurer General – is based in Rome.

The Society established its first community in England in December 1842: it is now present in several locations around England and retains a retreat centre in Wales. In the Province of England and Wales we mostly live in small communities. Central to our lives is a rhythm of prayer and reflection in solitude and together. This pattern of prayer and reflection, coupled with the desire to live as simply as we can and to meet the needs of our world – locally, nationally and globally - supports us and challenges us to live gospel values and to keep alive a vision of a world where justice and peace may flourish and God's love be made known to all.

The international Society of the Sacred Heart holds a General Chapter every eight years, and the priorities set by this inform the direction and priorities of the members in the ensuing eight year period. The most recent Chapter was held in July-August 2016, and since then, the members of the England-Wales Province have met among themselves, and in a joint meeting with RSCJ from Ireland-Scotland, to begin to discern how these priorities will influence our lives and mission in the coming years. The four priorities of the 2016 Chapter are:

- ◆ To reach new frontiers – *geographical and existential*
- ◆ To live more humanly – *in the radical style of Jesus of Nazareth*
- ◆ To create silence – *to deepen our interior life*
- ◆ To be and to act as one Body – *to revitalise our unity in diversity*

In addition, there were seven recommendations:

- ◆ Sharing resources
- ◆ Service of Education
- ◆ Vocation Ministry
- ◆ International Volunteer Service
- ◆ Justice Peace and the Integrity of Creation

Introduction (continued)

- ◆ Languages in the Society
- ◆ Ways of organising ourselves

The accounts accompanying this report are the accounts of the Charitable Trust on which the assets of the Province of England and Wales are held and through which its finances operate. The charity is governed by a Trust Deed dated 27 March 1931 and is registered with the Charity Commission, Charity Registration No. 227848. An amendment to the Trust Deed was agreed and signed on 21 March 2013.

With effect from midnight on 30 June 2019, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the Charitable Trust were transferred as a going concern into a newly formed Charitable Incorporated Organisation (CIO), Society of the Sacred Heart CIO, (Charity Registration Number: 1179288). As from midnight on 30 June 2019, the Society of the Sacred Heart Charitable Trust became dormant and it is expected that an application will be made to have the charity removed from the Central Register of Charities in due course.

Objectives

The objectives of the charity cover a range of charitable activities, which include:

- ◆ The support of the members of the Society and their charitable works;
- ◆ The advancement of education;
- ◆ The advancement of the Roman Catholic religion; and
- ◆ The relief of poverty.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

In preparing this report, we have focused on the ways in which we have sought to respond to the objective of the advancement of education.

This report will begin with an overview of our work in meeting the other objectives. However, much of our work is interwoven, and our core belief in God and our membership of the Roman Catholic Church underpins every aspect of our lives and mission, as do the Society's educational focus, our commitment to being at the service of the materially and spiritually poor and the marginalised, and the effort to meet the needs of our own members in this Province and in the wider international Society.

Review of activities

♦ Support of the members and their charitable works

The Society is obliged, legally and morally, to support its members and their charitable ministries. Because of their vow of poverty and the completion of a Deed of Covenant or Gift Aid declaration in favour of the charity, none of the members has resources of her own. Each one, however, has dedicated her life to the worship of God and the good works of the charity.

Those who serve in the government and administration of the Province, Sisters and laity, do so in support of the members. The local community is the primary place where each member receives the support she needs, for herself personally and in undertaking our charitable works. By their vows, made to God and through the Society, RSCJ are also committed, at local and structural levels, to facilitate each other's personal, spiritual and psychological growth and wellbeing.

Support of the members begins from the first stages of formation and incorporation. RSCJ are appointed by the Provincial – after consultation with the Province – to accompany and support newer members through each stage, i.e. candidacy, noviciate and temporary vows, and through each discernment and transition.

Vocations ministry

Sister Barbara Sweeney, Vocations Director, writes:

“Over the last two years, we have come to realise that it is nearly ten years since our last in-depth planning for vocation ministry happened. Much has changed, and we felt that it was a time for a thorough evaluation and rethink about our approach. In March this year we replaced the usual vocation discernment weekend with a team weekend dedicated to evaluation and planning. The weekend began with a meal to which we had invited a group of young adults comprising two youth work coordinators, a teacher and a student, two male religious who had experience working with young adults, and the recently retired coordinator of the youth ministry team in the Diocese of Hexham and Newcastle. The agenda was to reflect together on how religious are perceived in society today and the relevance of religious life. Interesting ideas were shared, some of which are worth us all considering not just the Vocations Team.”

Subsequent planning resulted, including a revised way of running the 'Come and See' weekends; collaboration with other Religious Congregations; and reflections on where we might meet young adults.

Initial formation

Those in formation are enabled to attend courses, and meetings with their peers in other congregations and in the Society in Europe, thus helping them to deepen their understanding of religious life and the spirituality and mission of the Society, and to grow in the relationship with God which will sustain them in living our aims and priorities.

Review of activities (continued)

♦ **Support of the members and their charitable works** (continued)

Initial formation (continued)



During this year, we had one candidate living in community to assess whether entering religious life was the right choice for her; in the event she did not proceed further. As with vocations ministry, an evaluation of the experiences of the last ten years was carried out by those involved. There were no novices during this current year. A decision has now been made that there will be one European noviciate, in English, in Rome from 2021. This will influence the programme of the time of candidacy. Those who have made their initial or temporary commitment as members of the Society, met regularly, together with others from European provinces, and followed a programme aimed at supporting them in their development into

religious life.

Two younger RSCJ from the Indian Province spent three months in our communities in Thornley and Newcastle, having an international experience before going to join others in Rome prior to making their final vows.

On-going personal development of the members

Each RSCJ is responsible for her on-going development at every level. At times, an individual may ask for a sabbatical period for spiritual or academic renewal or study. In addition, the Lifelong Learning Group, together with the Justice, Peace and Integrity of Creation Group, have a responsibility to offer opportunities to individuals and groups for extending their personal growth at the human, spiritual, psychological and emotional levels.

A small group undertook a pilgrimage to Joigny, the birthplace of St Madeleine Sophie, as part of their plan for the year, as well as Grenoble and Paris as part of the celebrations for 150th anniversary of St Philippine Duchesne.



On Saturday 6 October, a day was led by Martin Poulsom, SDB entitled *The Revolution of Tenderness, Caring for our Common Home*. The input helped us further explore the ideas of Laudato Si. The day was jointly organised by the Lifelong Learning Group and the Justice, Peace and Integrity of Creation (JPIC) Group.

In April, 45 RSCJ from our Province and the Province of Ireland-Scotland met together in Drumalis, Northern Ireland, to spend some time together exploring 'Keeping Hope Alive in The World.'

Sister Sheila McNamara writes:

Review of activities (continued)

♦ **Support of the members and their charitable works** (continued)

On-going personal development of the members (continued)

“Siobhan and Carmel who had represented our provinces at the International Justice and Peace Conference in the Philippines in November, shared with us some of their experiences. Following this, Dympna Mallon’s session ‘Weaving New Threads’ helped us reflect on some of the themes in Laudato Si. The next day, Brian Grogan SJ from Dublin celebrated Eucharist with us throughout the day as he offered us prayer and reflections on the Mysticism of Laudato Si. In addition to the talks and reflections, some of us also took the opportunity offered to take a drive up the beautiful Antrim coast. These days together were relaxed and spacious and gave us a chance to catch up with people in a gorgeous setting and peaceful environment.”



Support for those in leadership

During the year, members with specific responsibilities, such as Provincial, Provincial Team, and members of the Initial Formation Team, have attended meetings with their European counterparts. Besides addressing matters of common concern or interest, these meetings are also opportunities for personal or group support and personal development. The meeting in June of all the European Provincial Teams resulted in further planning for the future organisation of members in Europe and ways of networking and interaction across provinces.



Review of activities (continued)

♦ **Support of the members and their charitable works** (continued)

Duchesne House

We offer care to our sick and frail sisters in Duchesne House, a 16 bed care home run by an experienced manager who works closely with the Society of the Sacred Heart. The home receives consistently good reports from the Care Quality Commission and the manager is often called on to advise other care homes. The aim of the home is to enable the Sisters to live their lives as fully as possible until the end.



The Community write:

“At the beginning of 2018-2019, the RSCJ Duchesne Community numbered nine Sisters. By the end of the year our numbers had risen to 11 Sisters. One Sister had died in the course of the year and we were joined by three others.

Review of activities (continued)

♦ **Support of the members and their charitable works** (continued)

Duchesne House (continued)

Father Jeremiah continues to be our regular chaplain and we benefit from his short but excellent homilies.

Inevitably, as a care home, our life is fairly structured, but we are happy to welcome visitors and guests. We are grateful for those who come to visit or entertain us. Of a special value was a 10 year old girl, full of confidence, who came prepared with a programme of song and music. She had just finished a season at the West End in the musical 'The King and I' and sang songs from this musical. We are also grateful to those who organise outings of various sorts, for example a trip down the river Thames. We were pleased to see some animals recently from 'Animal Therapy': a rabbit, a guinea pig and even a frog and a snake!



In some ways we are a traditional Community, as it suits us to have spiritual reading together as well as plenty of celebrations of birthdays and other events. We were delighted to celebrate the centenarian in our midst, Amy Micallef Eynaud, along with family members from Malta.

We continue to be an open Community as far as possible, especially as our major meeting point was halfway down the main corridor, with two wide openings onto the corridor so that we enjoyed both being visible and also seeing everyone who came and went. Obviously, most of the people passing by belonged to the building firm, as it has taken virtually 22 months to consider the refurbishment as finished. We all know the importance of first impressions so we were pleased with the architects work to make the entrance more dignified and people friendly. We are especially pleased to have a large world map on the wall in the main Community room (see Community photo). We feel very lucky that the staff remain more or less as before, and they are much appreciated by each one of us.

Although we only have minimal contact with the parish, we are glad to welcome a group of children from the Sacred Heart Primary School up the road from us, most Fridays of term time, and one of the priests from St Joseph's Church to celebrate Mass in our chapel and most recently to meet with seven of the 12 parish confirmation candidates for whom we had prayed during Lent, Eastertide and until the day of their confirmation."

Renovation of Duchesne House

Susan Thomas, HR Advisor and Project Manager for the development of Duchesne House writes:

"Three years ago, following extensive consultation among the members, it was decided to redevelop Duchesne House in order to accommodate Sisters with a full range of needs. An award-winning architect was engaged to re-design the building and to oversee the work.

Review of activities (continued)

♦ **Support of the members and their charitable works** (continued)

Renovation of Duchesne House (continued)

This was completed on Monday 16 June 2019. Duchesne now has 16 large bedrooms, a café, a community room and dining room, with servery offering several choices of meals, a reading room and spaces for activities and pastoral support. The House reflects many of the ideas from the Community and staff about what was important to them in living in Duchesne and how they could provide the best care possible.



Many RSCJ and staff met to celebrate the end of the project, and to thank all those involved. The three architects, many of the builders, and other contributors to the project joined us and were thanked for their excellent work and quality of their relationships with us. We also thanked the Community for their patience and collaboration and their engagement with the whole programme. Special thanks went to members of the Duchesne Advisory Team project group, who have been on site weekly, consulting regularly with the Community and staff and managing the relationship with the architects and builders. We hope that the original aims of the refurbishment will be fulfilled: to create a house where RSCJ can live their lives as independently and as best they can."



Support from colleagues

The Society is very aware of the support its members receive from colleagues and employees, some of whom work alone. Marking the transition of leadership at the end of June, our senior colleagues, including finance and administration staff, the Schools' Network Co-ordinator, Province Secretary, Archivist, one of the Llannerchwen Directors, the HR Consultant and the Duchesne Manager, joined the RSCJ to celebrate 'The life we have lived' over the past six years. It was significantly important that they were included in our reflections, our expressions of gratitude and our hopes for the future, since their care for the members and their share in our charitable works, at many different levels is undeniably crucial.

Review of activities (continued)

♦ **The relief of poverty**

Within the context of today's world, we feel called to deepen our commitment to the poor and to reflect on the way we live and understand our vow of poverty.

"We have a spirituality that unifies our commitment to the world and the contemplative experience. Formation, both initial and on-going, must help reveal that God is here, hidden in life's story, and it is in this concrete story where we discover the signs of God's love and where we are sent to make it manifest." (International Formation Document, Life Unfolding: Offering the Gift, November 2013)

Our commitment to the poor, the marginalised and to justice, peace and the integrity of creation permeates much of our lives and many of our choices: individually, as local communities and as the Province community. The Province has a Justice and Peace Committee, which highlights for us a variety of issues of interest. Sister Anne McCarthy writes:

"In Woking, Chris has continued her work as a key contact with and for Traidcraft, and since Mon had to withdraw due to ill health, Chris has received help and support from a friend in Woking and with transport from a group of parishioners. There continue to be many invitations to illustrate to different groups the work of Traidcraft in helping people in the poorest areas of the world to set up projects and become self-reliant, as well as the regular weekly and monthly sales of Traidcraft items. Chris attends the half-yearly Traidcraft meetings, the South of England Regional meetings and was invited to the launch of their 'Hidden Entrepreneur Appeal' in 2018, which was supported by a grant from the Province Ministry Support Fund. She also attends the Arundel and Brighton Diocesan day conferences in Crawley, the topic of which this year was 'Trafficking', and local events organised by Cafod etc. The Traidcraft Project at Woking, which has been running for 26 years, was chosen as the Province project to take to the International Conference in the Philippines."

In relation to our commitment to the Environment, Anne continues:

"In February, Chris, together with Eileen Galvin and Pat Murphy, attended a day conference on 'Fossil Fuels Divestment'. As a result, we made several suggestions regarding our present practice: 'take urgent action to combat climate change and its impacts'. Our strong views on this issue have now been communicated to our investment managers and they have taken positive action."

The latest newsletter for 'Global Education and Advocacy' called 'New Frontiers' (March, 2019), is now a joint venture from Anne Corry, the International Justice and Peace Co-ordinating Committee and Sheila Smith, our UN representative. This excellent publication informs us of the efforts being made in all matters relating to Justice, Peace and Integrity of Creation (JPIC) by RSCJ around the world with challenging articles, including an account of the Philippines' JPIC Conference, extracts from Pope Francis' address on the third anniversary of 'Laudato Si' and of his address to the Religions of the World on the Sustainable Development Goals 'Listening to the Cry of the Earth and of the Poor'."

One of our properties in west London was handed over to the Medaille Trust in February 2017, for the victims of trafficking and modern day slavery. Sister Jane Maltby updates us:

Review of activities (continued)

♦ **The relief of poverty** (continued)

"The building now houses 26 women, aged from 17 to 60 years. There are, in addition, nine children including five babies who have been born in the last three months. There was a celebration of these children's birth on 13 June and the women cooked a meal together and prepared and shared dishes reflecting their culture.

One young woman, who was told about how Hayes came to be a safe house and the relationship with the Society, said, 'That's amazing they gave this house; there need to be more places like this. I feel safe here and I've never felt safe before; I have my own room where I have space and I can get my head together after what I have been through, tell them thank you'."

Several RSCJ volunteer in projects working to alleviate material poverty, or else take initiatives to alleviate the poverty of social isolation and to increase community cohesion. Sister Margaret Walshe, for example, meets regularly with members of the local Irish Pensioners' Group.

Walker community write: *"We organised a collection for our local Food Bank each week during Advent"*.

Sister Barbara Sweeny writes: *"I am the parish link with the West End Refugee Service. I regularly take contributions down to the Refugee Centre and keep the parish informed."*

The members of Boleyn Road community live in a multi-cultural part of the London Borough of Newham, London, and work principally within local projects. The community writes:

"The house next door is now occupied by the second generation of a Bangladeshi family, who were here when the community moved in in 1992. We continue to chat with them and other neighbours, and we exchange gifts on major Moslem and Christian festivals. Between us we have been to a local mosque on the Open Mosque Day, attended Citizens Assemblies organised by the local council and an Interfaith Forum, also organised by the council, to look at how the different faith communities can work together to improve the borough, and taken part in a consultation on the future of Green Street, our crowded, vibrant and litter-strewn local shopping centre. We try to greet people in the street and to be aware of our neighbours and parishioners and their concerns."

Sister Janet Hopper continued to volunteer with Rahab, a charity offering support, practical help and friendship to women who may have been trafficked and are working in the sex industry in London. Sister Silvana Dallanegra continued her work with Caritas Westminster, the social action agency of the Archdiocese of Westminster.

Review of activities (continued)

♦ **The relief of poverty** (continued)

In response to two of our charitable objectives, we have this year endowed a Scholarship at the University of Roehampton, London, to support students from refugee/migrant families through University education. Named the 'Sacred Heart Scholarship', it is proposed that the Scholarship will be for those with the following status:

- ♦ Refugee;
- ♦ Humanitarian protection status;
- ♦ Discretionary/limited leave to remain on human rights grounds including unaccompanied asylum seeking children (UASC); or
- ♦ Those who have submitted an asylum claim in the UK.

Our donation for this Scholarship will be invested, and will enable one student each year to receive a full scholarship for three years. The first will be awarded for the September 2019 intake.

♦ **The advancement of education**

The Society of the Sacred Heart was founded in Paris in 1800 in the aftermath of the French Revolution, with the aim of aiding the rebuilding of a fractured society through the Christian education of girls. In this Province we have expanded from providing boarding schools alongside free schools for girls, to running co-educational primary schools, girls' secondary schools, as well as two teacher training colleges, one of which is now incorporated into the University of Roehampton. But whatever we do, there is a strong educational dimension to the lives of all of the members which permeates all our ministries, service and relationships.

Some Sisters, who have retired from teaching, have been able to transfer their skills and experience to related fields. Sister Carol Condon continues to teach English to refugees and migrants. She writes:

"This year I managed to change our venue where I hold English Through Literacy classes. The ground floor rooms in this old building were needed more for Applecart Arts' use and it was becoming difficult for both older students and myself to climb the deep stone steps. I approached the local Gurdwara and they offered us very adequate accommodation for our twice weekly classes. It is also good to have contact with the local Sikh community here."

Sister Lorna Brockett, in the same community adds:

"For the last few months I have been helping a young asylum seeker with her English. She is supported by the Jesuit Refugee Service (JRS), who arrange for asylum seekers to spend three months with a host family before moving on to another, and she is currently with the nearby Ursuline sisters."

Review of activities (continued)

♦ **The advancement of education** (continued)

Sister Lorraine Pratt teaches sacred dance and runs study days for those wanting to explore dance.



Some Sisters are Governors of schools: Sister Margaret Wilson at the Sacred Heart Catholic High School, Fenham, Newcastle; Sister Margaret Walshe at a London primary school and Sister Janet Hopper at the Sacred Heart High School in Hammersmith, London, the one school still in the trusteeship of the Society in this Province. Sister Chris Edwards and Sister Lorna Brockett are members of Council at the University of Roehampton. Sister Lorna writes:

"I have continued as a member of the Roehampton University Council and of its Honorary Awards and Equality, Diversity and Inclusion sub-committees. I am very impressed by the University's commitment to reach out to and support students from deprived areas, who are often the first in their family to enter higher education."

Barat House is a residence on the campus of Digby Stuart College, part of the University of Roehampton, occupied by a small community of students, supported by the Sisters of Rodway Road community, who lived there until September 2016 and still maintain a presence on the campus.

The Sacred Heart Schools and College Network

Through the Sacred Heart Schools and College Network, we support the work of schools and a college founded by the Society, but which have since been handed over to others to manage. The English Network is part of a European Network, and also has close links with the US Network and with schools and their staff in other countries. Our experienced and dedicated Schools and College Network Coordinator, Hilary Thompson, continues to work mainly with Heads and Goals' Coordinators. She writes:

"In 2018-19 the recommendations of the Chapter of 2016 have had an impact on the work of the Schools' Network Coordinator, who was nominated to be a member of the Society's International Education Commission and, as part of that, was invited



Review of activities (continued)

♦ **The advancement of education** (continued)

The Sacred Heart Schools and College Network (continued)

to join the Society's Conference on Justice Peace and the Integrity of Creation (JPIC). There have been two meetings of the Commission in Rome and two via internet conferencing, reflecting on the first set task: the Society's philosophy of education.

The school leaders have been involved in responding to the first ideas of the Commission and their comments have been fed back. The Network Coordinator, and another delegate from the Province, gave a session to the Province following the JPIC Conference in the Philippines. In preparation for next year's goal, Social Awareness that Impels to Action, the conferences with the school leaders and the Goals' Coordinators in January, May and June have had an emphasis on JPIC. Common actions are being planned for 2019-2020.

In October 2018 the bi-annual Heartfest took place in Newcastle on the theme of Personal Growth. Students gathered from all the schools for two days, taking part in activities and prayer based on the theme. The following week, two teachers from Newcastle attended the annual European Teachers' Conference in Joigny at the birthplace of the Society's foundress.



Prayer, silence and pilgrimage were also themes of the Network's conferences this academic year. Sister Margaret Wilson led the School and College leaders in an afternoon of reflection, 'Into the Silence of my Heart' at Barat House, Roehampton, in May. In June, a primary school teacher led the Goals' Coordinators on a pilgrimage around Lindisfarne, modelling activities that could be used with students based on personal growth in the light of the stories of Aidan and Cuthbert.

The Province has appointed a second person to join the Schools and College Network Team from September, dividing up the present responsibilities of the Network Coordinator. This extra person will bring all kinds of benefits to the Network, such as having a fresh vision with new ideas and having a person working for the Network based in the south east as well as one in the north east."

♦ **The advancement of the Roman Catholic religion**

Since its foundation in 1800, the 'end and mission' of the Society of the Sacred Heart has been to make known the love of God, and all the members are committed to this, whatever their ministries or circumstances. By living vowed lives exemplifying gospel values in the context of the Roman Catholic Church, we are each and all contributing to the advancement of religion.

Review of activities (continued)

♦ **The advancement of the Roman Catholic religion** (continued)

Some of the members carry out their ministries in specifically Roman Catholic contexts but most have an outreach to people of all faiths and none. We believe that by our presence, as well as the witness of our activities, we meet this object of the charitable trust. Members contribute to the achievement of this objective through their work in:

- ♦ Spirituality ministry – spiritual and retreat direction, formation in faith and prayer, retreat centre;
- ♦ Chaplaincy ministry;
- ♦ Parish ministry; and
- ♦ Ecumenical and interfaith dialogue and collaboration, and the facilitation of faith groups (this is often an underlying aspect of our work in spirituality in general, and our presence and activities in multi-cultural, multi-faith settings such as Forest Gate in East London).

Spirituality ministry

Several sisters work as spiritual and retreat directors, often in an ecumenical context and in retreat and spirituality centres run by others.

For example, Sister Pat Murphy describes her work:

“My ministry in spirituality includes the ongoing spiritual accompaniment of individuals. I also give individually guided retreats on a regular basis. Those I minister to include members of the England-Wales Province, as well as other religious; ordained and lay people, women and men, belonging to different Christian denominations. They range in age from young adults to the elderly. Occasionally someone making a retreat may have no allegiance to a particular church, but is a ‘seeker’.

I also collaborate with religious of other Orders, especially the Jesuits at St Beuno’s, the two women who run our retreat centre at Llannerchwen, and with others who are involved in similar work. I also give supervision to others involved in spiritual accompaniment/retreats. A particular enrichment in this ministry is the ecumenical dimension, as it is a setting in which denominational differences matter little or not at all. Membership of different networks of those involved in spirituality ministry is enriching and supportive”.

Chaplaincy ministry Digby Stuart, Roehampton University

The Society funds the full-time post of the Digby Stuart Chaplaincy Community Worker, Ruth Asfaha, based at Barat House. Ruth has proved to be an important link between the College and Society for day-to-day matters related to Barat House. Ruth has helped line up a new community moving in for September and recruitment for the new Digby Stuart Chaplaincy Community Worker is underway. The Barat House community will be complete going into the next academic year. The on-going joint commitment with Southlands College in developing an intentional community in Barat House has moved forward over the year.

Weekly community lunches on Tuesdays in the Chaplaincy Base continued to be a focal point in the week offering soup and fresh bread. A number of guest contributors, and extending the lunch to run throughout the summer months, made it more available to staff as well as students. Highlights included meals to celebrate Ghana’s Independence Day, Eid and Shrove Tuesday.

Review of activities (continued)

♦ **The advancement of the Roman Catholic religion** (continued)

Chaplaincy ministry Digby Stuart, Roehampton University

Digby Stuart and Southlands Colleges hosted its third joint carol service in the Digby Chapel. Children from the Sacred Heart Primary School sang carols around the Christmas tree at Southlands prior to the Service.

Digby Stuart College hosted the South London University Catholic Chaplaincy Lenten retreat which included students from Roehampton alongside Goldsmiths, Kingston, and Guys (Kings College), and Mass was celebrated by the Diocesan Vicar General.



Further information on Chaplaincy activities can be found in the Digby Stuart College Trust Annual Report and Accounts.

Parish ministry

Since the majority of Sisters live in small houses, they are all parishioners of local church congregations and contribute to the life of the church in a variety of ways. For example, Sister Anne Attard is a Eucharistic Minister in her Hammersmith parish and supports a variety of activities there. Sister Barbara Sweeney in Newcastle writes: *"I am a member of the parish spirituality and personal development group, and make it a special task to involve others in leadership of planned events."* The Walker community continue to be active in their parish as members of the Parish Council, Eucharistic Ministers and Readers, and supporting parish functions.



Retreat Centre at Llannerchwen

The Society has owned and managed this small, unique retreat centre near Brecon since 1979. It offers people from all walks of life and faith backgrounds the opportunity for a time of silence and solitude, with the option of daily or occasional accompaniment if desired. In recent years, ensuring a continuity of RSCJ presence in this place proved difficult. Therefore, following a lengthy process, the Society appointed two suitably trained and experienced people as Directors of the Centre and to manage the property on our behalf. They have been in post for three years now, continuing the ethos and tradition of the Centre, and upgrading the facilities. This year, the Art Cabin was re-built, giving the possibility for creative art activities to aid the retreatants in their prayer.

Future plans

With effect from midnight on 30 June 2019, the activities, transactions, assets and liabilities of the charity were transferred to Society of Sacred Heart CIO, a Charitable Incorporated Organisation, Charity Registration Number: 1179288 (the successor charity).

The work of the charity will be continued within the CIO. While the trustees do not anticipate any significant change to such activities over the next one to three years, they are exploring the long-term future and direction of the Society, and considering various options to ensure their spiritual values and material assets continue to be protected in the future according to the spirit in which they were put in place.

We will continue to work with the other provinces of Europe in a process towards the restructuring/networking of the European provinces. The specific topics to be concentrated on this coming year are; a) The initial formation of our members across our European provinces and the planning for a European noviceship to commence in 2021; b) Networking in other areas of ministry, e.g. schools, eldercare, etc; and c) The encouragement of grass-roots gatherings for ministry and support, e.g. in age cohorts etc.

Following the Easter 2019 Assembly of our members with those of the Province of Ireland-Scotland, we will take every opportunity to work with the Province, and will continue the bi-annual meeting with their Provincial Council.

We will review the Province strategic plan for the use of our assets and resources for the sake of mission, and make adjustments as needed. We will continue our reflection on our long-term use of assets and our thinking around our legacy.

Our November Province day provided opportunities for us to continue our process of reflecting on our mission and our current reality and Province needs. In March 2020, we will hold a three-day Provincial Chapter to prepare for the Extraordinary General Chapter of 2021, specifically concentrating on the restructuring of the Society, and therefore the Province too, into the future.

We will have an annual team building day for our senior lay staff from across the Province, seeking to inform and involve them in the development of our policies and action plans.

We will implement our earlier plan to enable our Care Manager to experience good practice in other homes for religious sisters, and encourage her to make full use of the new opportunities that the refurbishment offers. We will also look at the whole Duchesne campus to see how best to use this, and work with the Province membership to understand the opportunities offered.

Relevant policies

♦ Investment policy

The charity had a number of investment properties which are occupied by tenants at a market rent determined by the trustees with professional advice. At 30 June 2019, prior to the transfer to the CIO, the market value of the investment properties was £1,200,000 (2018 - £2,350,000).

The charity had a portfolio of listed investments which, together with cash held by the investment managers for investment, had a value of £34,037,387 at 30 June 2019, prior to the transfer to the CIO (2018 - £33,995,024).

There are no restrictions on the charity's power to invest.

The listed investments of £33,047,507 held at 30 June 2019, prior to the transfer to the CIO, (2018 - £32,320,713) were managed by Sarasin & Partners LLP until 13 May 2019 and by CCLA Investment Management Limited from 18 April 2019. Both managers operated within specific guidelines set and regularly reviewed by the trustees.

The investment policy and strategy set by the trustees, (and adopted also by the trustees of the successor charity) takes into account income requirements, the risk profile and, in respect to listed investments, the investment managers' views of the market prospects in the medium term. The overall policy with regard to listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that the real capital value of the fund exceeds inflation over any five year period. The investment policy requires the investment manager to take account of the ethical, social and environmental concerns of the trustees as expressed in the policy.

The trustees, or representatives of the trustees, met with the investment manager regularly during the year to review the performance of the portfolio and the investment strategy. The target income for 2018-2019 has been met.

The performance of the charity's listed investments has improved with the portfolio giving a capital return of 3.54% (2018 – 0.75%). The income yield for the year was 3.42% (2018 – 3.19%).

Prior to the transfer to its successor charity on 30 June 2019, the charity had funds invested with Oikocredit, Ecumenical Development Co-Operative Society U.A. This was an ethical investment which was not held specifically to make a financial return but was held in support of development projects which benefit disadvantaged and marginalised individuals. As a result, these funds were deemed programme related investments and were included on the balance sheet at cost. The cost of the funds held at 30 June 2019, prior to the transfer to the CIO, was £244,621 (2018 - £242,211).

Again prior to the transfer to its successor charity on 30 June 2019, the charity owned a property which, with effect from 27 June 2019, was leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is no longer leased to third parties at a commercial rent, but instead is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart Charitable Trust and of its successor charity, it has been reclassified as a programme related investment. Whilst classified as a freehold property investment, it was recognised at its market value of £1,050,000 which included an unrealised gain of £205,000. On transfer to programme related investments, the carrying value of £1,050,000 has been treated as deemed cost with no adjustment being made to reverse the unrealised gain of £205,000.

Relevant policies (continued)

♦ **Investment policy** (continued)

The charity owned and transferred to its successor charity a property that is leased to the Medaille Trust at a peppercorn rent. The Medaille Trust uses this property to provide accommodation to those who have been victims of human trafficking. This represents property which is not held specifically to make a financial return and directly furthers the charitable purposes of the charity. As a result, this property is considered by both the charity and its successor to be a programme related investment to be included on the balance sheet at cost, less any provision for diminution in value. At 30 June 2019, prior to the transfer to the CIO, the value of this property was £600,000 (2018 - £600,000).

The trustees are satisfied that the charity's investment objectives are being met.

♦ **Donations and grant making policy**

Donations and grants, principally for the support of those organisations with objectives consistent with those of the charity, were decided on by the trustees. The charity supported the work of the Society overseas by means of donations to the Generalate. These are in support of the Congregation's Solidarity Fund and administration of the central governance.

During the year £835,968 (2018 - £870,226) was donated to small and large organisations.

Further details can be found in note 6 to the attached accounts.

♦ **Fundraising policy**

During the year, the charity did not carry out any direct fundraising with the public. It did not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, by the charity or its successor, it would be handled by a senior member of staff or trustee.

Financial review

The Province now has 48 members, all of whom have given their working lives to the charitable activities of the Society. Where their work is for organisations or institutions independent of the charity and its successor, any earnings have been covenanted to the charity and will be converted to its successor charity in future. However, as the average age of the membership is increasing, there is a reduction in the earned income generated by members. The charity's successor has an ongoing commitment to support members of the Society, many of whom continue doing charitable work well past the normal age of retirement. With 90% of the Province at retirement age, the investment income will continue to be relied upon by the CIO to supplement the decline in salary and pension income. Sufficient funds need to be built up by the CIO to ensure that investment income will guarantee the continuance of ministries, development of the Novitiate, as well as provision for present care needs and future retirement.

The CIO will continue to support members of the Society who in the main will undertake voluntary work in the areas of education, healthcare, social and pastoral provision as an expression of their commitment "to radiate the very love of the Heart of Christ through love and service" (Constitutions Para 7).

Financial review (continued)

For the purposes of the attached accounts, no monetary value has been placed on the services of Sisters working in the care home or administrative services provided by members of the Society, either in the provincial offices or in communities throughout the Province. As Sisters retire from these positions, both care and administrative costs, borne by the CIO, will rise as paid staff are engaged to replace Sisters.

A summary of the year's results can be found on page 33 of this report and accounts. The figures represent the financial underpinning of the work of the Society.

During the year the total income was £3,117,601 compared to £8,465,886 in the previous year. The decrease was mostly due to the significant surplus on disposal of properties of £5,990,255 in the prior year, compared to £758,081 in 2019.

Prior to the transfer to the CIO, expenditure totalled £7,155,953 (2018 – £3,527,405) and included a donation to the Society's Generalate of £3,682,667 (2018 - £611,004). £48,746,462 was transferred to the CIO on 30 June 2019, giving total expenditure for the year of £55,902,415.

Net expenditure for the year, prior to the transfer to the CIO, amounted to £4,038,352 (2018 – net income £4,938,481) before net investment gains of £1,329,750 (2018 – £241,295) which gave rise to a net decrease in funds of £2,708,602 (2018 – net increase in funds of £5,179,776).

Reserves policy

The trustees, together with the trustees of the successor charity, have examined the requirement 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 and the on-going commitment of its successor charity to support members of the Society, the level of free reserves of both the charity and the CIO should be approximately equal to one year's expenditure on unrestricted funds.

The trustees of both the charity and the CIO are of the opinion that this provides sufficient flexibility:

- ◆ to cover temporary shortfalls in income due to timing differences in income flows;
- ◆ to ensure adequate working capital for core costs;
- ◆ to allow the charity or CIO to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

Before the transfer to CIO, the balance sheet showed total funds of £48,746,462 (2018 - £51,454,722), and of this £7,897,220 (2018 - £7,488,183) represented the tangible fixed assets used by the Sisters. The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the freehold property and other tangible assets are used in the day to day work of the charity and will continue to be so used by the CIO. Hence, the fund cannot be realised easily if needed to meet future contingencies.

Financial review (continued)

Financial position (continued)

Similarly, those investments classified as programme related investments were represented by a separate designated fund - the programme related investments fund and this too has been transferred to the successor charity or CIO. These investments comprise land and buildings, which, prior to transfer, were owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees and of the trustees of the CIO that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Prior to the transfer to the CIO, an amount of £16,500,000 (2018 - £16,500,000), had been designated by the trustees to provide for the Sisters in their retirement. The fund was transferred to the CIO. The value of the fund has been calculated using actuarial principles to provide for each of the Province's Sisters. Given the increasing age profile of the Sisters and few new vocations this sum will provide only modest resources to look after the Sisters, many of who will need increasing support and increasingly expensive residential and nursing care. A designated fund of £1,427,699 (2018 - £1,395,076), designated to care for the elderly religious in Malta, was also transferred to the CIO on 30 June 2019.

Other designated funds which existed at 30 June 2019 and which were transferred to the CIO were: the building maintenance fund of £5,000,000 (2018 - £5,000,000) used to support an action plan for the charity's properties, several of which are in need of substantial maintenance work; the ministry support fund used to support charitable work which amounted to £500,000 (2018 - £500,000); the international development fund of £2,500,000 (2018 - £6,000,000) used to support the international work of the society; a social justice fund of £7,000,000 (2018 - £7,500,000) used to provide funds in support of social justice activities.; and the Barat House Hostel fund of £57,087 (2018 - £117,142) (see note 21).

The general funds which existed at 30 June 2019 and which were transferred to the CIO in order to be available to support the work of the Sisters in the future are general funds and amounted to £5,959,204 (2018 - £6,101,479).

The trustees of the successor charity are aware that this level of reserves is approximately £1,200,000 below the amount required by the above policy. Over the next couple of years, it is the intention of the trustees of the CIO to build up the reserves through sound budgeting and by considering the property and broader strategy of the CIO.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Governance, structure and management

♦ **Trustees**

On 30 June 2019, Sister Jane Maltby concluded her mandate as Provincial Superior and stepped down, together with her Provincial Council – Sister Carol Condon, Sister Sheila McNamara and Sister Lorraine Pratt.

Governance, structure and management (continued)

♦ Trustees (continued)

On 1 July 2019, Sister Catherine Lloyd began her first three year mandate as Provincial Superior, supported by her Provincial Council – Sister Christine Edwards, Sister Sheila McNamara and Sister Margaret Wilson.

New trustees are appointed by those trustees already in office at the time of the appointment and the process of appointment is organised by the Chair of Trustees, the Provincial Superior. At any one time there must be a minimum of six trustees but not more than twelve trustees.

Members of the Provincial Council, who are nominated by the members of the Province of England and Wales with nominations being ratified by Rome, are three of the trustees.

Brief biographic details of the trustees in office at the date on which this report was approved are as follows:



Sister Christine Austin is a retired teacher who worked in Secondary Education in the Society's boarding schools at Woldingham and in Kalungu, Uganda. She also taught at St Julian's in Malta. For the last 25 years she has done voluntary work promoting Fair Trade, particularly with Traidcraft and has been involved in raising awareness of Third World issues. Sister Christine joined the Trustees in January 2011. She is a member of the Finance Advisory Committee.



Sister Christine Edwards has held a variety of teaching posts in the course of her professional career and has also engaged in youth work. Her last post was as chaplain at a diocesan girl's school in London. She was Chair of Governors to the Sacred Heart Comprehensive School in Newcastle-upon-Tyne for three years. She was a member of the Provincial Team for several years until summer 2009 and was appointed the Canonical Treasurer for the Province in July 2010. She retired from this position in March 2014. She is currently a member of Council at the University of Roehampton. She chairs the Investment Committee.



Sister Catherine Lloyd has a background in formal education and ministry with young people working at different times and places as a teacher, Head of Department and Head of Middle School. After training in spiritual accompaniment and counselling, she worked as a School Chaplain at the Sacred Heart High School in Hammersmith. Cath spent some years in the Society's mission in Indonesia where she worked in teacher education, theological formation and in a project with street children.

On returning to the UK, she served as Novice Mistress and worked in the Formation department of the Conference of Religious of England and Wales, where with others she developed inter-congregational provision in the area of the initial formation of newer members to religious life.

After further studies, Cath worked with a team of consultants to other organisations and groups in the area of strategic planning, leadership formation and change agency.

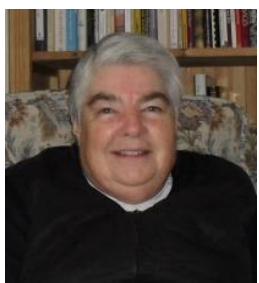
Governance, structure and management (continued)

♦ Trustees (continued)

This was followed by eight years of international service on the General Council of her congregation in Rome, after which Cath returned to her ministry of consultation and facilitation, spirituality and formation in the UK and abroad.



Sister Sheila McNamara has worked for many years in Primary Education as a classroom teacher, Deputy Headteacher and Acting Headteacher in schools on Tyneside and North London. Following further study in Dublin in 2000, she continued her journey in education as Diocesan Primary Schools Adviser first in the Archdiocese of Westminster for six years and then in the Diocese of Hexham and Newcastle for seven years. For the last seven years her ministry has been in spirituality, accompanying others in their spiritual journey, leading days of reflection and retreats. Her passion for nurturing the spirituality of the educator inspires her to lead sessions on a local and national level with school staff and leaders. She has served on a number of Provincial Committees as well as serving two years as Chair of Sacred Heart High School, Hammersmith. At present she is a member of the Provincial Team.



Sister Margaret Walshe is a retired teacher who has taught in schools for the Society in Tunbridge Wells, Woldingham, Fenham and Malta and been a lecturer in Professional Education at Roehampton University. She has served on the Executive Committee of the Provincial Bursars Association and was Provincial Bursar from 1996 to 2007. Between 1989 and 1995 she was a member of the Provincial Council. She has been on the governing bodies of Digby Stuart College, the schools in Fenham and Woldingham and been a member of Roehampton University Council. In retirement she is a volunteer with the Pensioners Group at the local Irish Centre, and is a Governor at a primary school in Richmond-on-Thames.



Sister Margaret Wilson entered the Society after completing her Teacher Training in Newcastle upon Tyne. She taught in Sacred Heart schools in Tunbridge Wells and Woldingham before moving to Hammersmith Sacred Heart High School in 1977 to become Head of the Religious Education department. During this time she completed a Masters in Religious Education at Boston College.

In 1990 Margaret was appointed Director of Novices for the Society and remained in that post until 2002. After a sabbatical year in Donegal, she worked in Armagh for three years as a Community Development worker in a deprived area of the city. Returning to England, Margaret worked in Leeds for one year before taking on the service of Provincial for six years. She now lives in Newcastle and is part of the 'Capacitar' training programme in England. In July 2019 she joined the Provincial Council.

Governance, structure and management (continued)

♦ **Trustees' responsibilities statement**

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 in 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 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 relevant 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.

♦ **Management**

The trustees have the final responsibility for the policies, activities and assets of the charity. They meet annually to review developments with regard to the charity and to make significant decisions. The day-to-day management of the charity's (and its successor charity's) activities and the implementation of policies are delegated to:

- ♦ The trustees, three of whom, together with the Provincial Superior, form the Provincial Council;
- ♦ The Finance Advisory Committee; and
- ♦ The appropriate senior staff.

Governance, structure and management (continued)

♦ **Key management personnel**

The trustees consider that they together with the Finance and General Manager and the Care Manager of Duchesne House have comprised the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. This will continue to be the case in respect of the CIO.

All trustees are members of the Society and, whilst their living and personal expenses have been borne by the charity, they have received no remuneration or reimbursement of expenses in connection with their duties as trustees.

The performance and pay of the Finance and General Manager and the Care Manager of Duchesne House is reviewed annually. The commitment to staff is to pay them a fair and appropriate salary that is affordable. This is to attract and retain people with the right skills and who, therefore, will have the greatest impact on delivering the charity's objectives and those of the successor charity.

♦ **Working with other organisations**

The charity works, and its successor charity will work, closely with a number of other charities and public bodies which work in the fields of education, relief of poverty, spirituality and justice and peace. Whilst one Sister and two lay colleagues are employed, in all other cases the relationship is voluntary or more informal.

Examples of the organisations for which members have worked, and/or to which the Society has contributed financially, with which the charity has cooperated during the year, and with which its successor charity will work in future are as follows:

- ♦ The International Provinces of the Society of the Sacred Heart;
- ♦ The Roman Catholic archdioceses of Westminster; Southwark; Arundel and Brighton, Hexham and Newcastle; Brentwood;
- ♦ The following schools: Woldingham; Beechwood Sacred Heart, Tunbridge Wells; Fenham Sacred Heart Academy and Sacred Heart Primary, Newcastle; Sacred Heart Academy Hammersmith; Sacred Heart Primary, Roehampton; St Godric's RCVA Primary, Thornley;
- ♦ The Cardinal Hume Centre; the Medaille Trust; Aid to the Church in need; CAFOD; Operation Noah; Pax Christi; Missio; Ministeracres Outreach Programmes; Capacitar; Traidcraft Exchange; Fenham Association of Residents; West End Refugee Service; Irish Pensioners Group; the Refugee and Migrants project (RAMP);
- ♦ The Africa-Europe Faith and Justice Network;
- ♦ Society of the Sacred Heart at the UN, as a non-governmental organisation (NGO) in special consultative status with the Economic and Social Council;
- ♦ Conference of Religious of England and Wales;
- ♦ Association of Provincial Bursars;
- ♦ University of Roehampton and Digby Stuart College; and
- ♦ Centre for Catholic Studies, University of Durham.

Governance, structure and management (continued)

◆ **Connected charity**

Details of the connected charity are given in note 24 to the attached accounts.

◆ **Risk management**

The management of risk is an on-going process and the trustees undertake regular reviews of the principal risks and uncertainties that the charity and its successor charity face. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity and/or its successor charity should those risks materialise.

Risk is regularly discussed at trustees' meetings and meetings of the Investment Committee and Financial Advisory Committee. The following risks have been identified as on-going:

◇ **Loss of key staff**

The people who have worked for the charity and now work for its successor charity are a key resource and so everything is done to ensure that there are good employment practices and the duty of care to employees is fulfilled. The charity and its successor are reliant on a small number of key staff – in particular, the Finance and General Manager and the Care Manager at Duchesne House. There is an overriding commitment to pay all employees fair and appropriate salaries and to ensure that staff receive the training they need to enable them to carry out their roles and contribute positively towards delivering the charity's objectives and those of its successor. Wherever possible, the charity and its successor aim to enable staff to develop their skills and knowledge so as to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity and its successor charity.

◇ **Restructuring of the care facility**

The restructuring of Duchesne House has been undertaken by an award-winning architect, and is now complete. The residents were fully engaged in the process, and the Province was kept up to date with developments by the project manager. The trustees of the CIO have now instructed a landscape architect to develop the garden. As part of the Province's strategic planning, the trustees are considering long-term future use of the care home, given that demand for beds will decrease gradually.

Governance, structure and management (continued)

♦ **Risk management** (continued)

◇ Age profile of the members and over-commitment of a few in administration

An analysis of the age profile of the members of the Society shows that the average age at 30 June 2019 was 78 (2018 - 78) years. The trustees of the charity and of the CIO are aware that there is both a moral and legal obligation to care for the older sisters. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. In future, such income will be donated to the CIO. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the successor charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

All our committees are up to strength, and we are involving our new entrants in serving on these committees in order to train them for the responsibilities of the Province. We encourage participation from all the members, and constantly involve them in processes of decision making.

The age profile of the members is also relevant in terms of identifying those who are both willing and able to serve as trustees of the charity and its successor charity in the future. This matter is being given much thought and possibilities may include introducing members of the Society from other overseas provinces to trusteeship and/or inviting individuals who are not members of the Society to become trustees or join an advisor group that might be consulted by the trustees.

◇ Safeguarding

Members of the society work with children and adults, including older people, and the trustees of both the charity and the CIO recognise the importance and necessity of ensuring the protection and safety of all those that the charities serve. This means that sisters who are employed or engaged in any ministry, work or volunteering with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS) and receive training regarding safeguarding.

Staff employed at Duchesne are also required to obtain clearance from the Disclosure and Barring Service and also undergo regular safeguarding training. Policies are updated and reviewed on a regular basis. The Province is aligned, for safeguarding matters, to the Diocese of Southwark, and has a safeguarding representative.

◇ Maintenance and upgrading of properties

All properties have been reviewed for their current use and needs and are now in the third year of a rolling maintenance plan in order to ensure the properties are upgraded and maintained. This is an ongoing review and process.

Governance, structure and management (continued)

♦ **Risk management** (continued)

◇ Health and safety

Health and safety is an area taken very seriously. Policies continue to be reviewed and developed, something which will continue under the CIO.

◇ Brexit

The charity had a large investment portfolio which has been transferred to its successor charity and which could be affected by Brexit. The trustees of the CIO continue to work with the Fund Manager to mitigate the risks posed by this.

In summary, the trustees have assessed the major risks to which the charity is exposed, and to which its successor charity will be, in particular those relating to the specific operational areas, investments and finances. The trustees of both charities believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, by having in place appropriate insurances and by examining the operational and business risks faced by the charities, they have established effective systems to mitigate those risks.

Employees and members of the Society

The trustees wish to record their recognition of the professionalism and commitment of all their staff and individual members of the Society. Their dedication, enthusiasm and positive approach to the Society's aims, objects and work are very much appreciated.

Approved by and signed on the behalf of the trustees:

Sister Catherine Lloyd

Trustee

Approved by the trustees on: 8 January 2020

Independent auditor's report to the trustees of Society of the Sacred Heart Charitable Trust

Opinion

We have audited the accounts of Society of the Sacred Heart Charitable Trust (the 'charity') for the year ended 30 June 2019, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. 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 30 June 2019 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 United Kingdom 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

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 accounts

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.

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 April 2020

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 30 June 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Income from:							
Donations and legacies	1	816,313	—	816,313	1,031,343	—	1,031,343
Investments and interest receivable	2	1,078,449	—	1,078,449	1,177,302	—	1,177,302
Charitable activities	3	109,933	—	109,933	160,438	—	160,438
Other sources:							
. Surplus on disposal of tangible fixed assets	4	766,747	—	766,747	5,990,255	—	5,990,255
. Miscellaneous sources	5	346,501	—	346,501	106,548	—	106,548
Total income		3,117,943	—	3,117,943	8,465,886	—	8,465,886
Expenditure on:							
Charitable activities							
. Donations payable	6	4,518,635	—	4,518,635	870,226	—	870,226
. Support of members of the Society and their ministry	7	2,632,890	—	2,632,890	2,652,085	—	2,652,085
. Provision of hostel accommodation	8	4,428	—	4,428	5,094	—	5,094
		7,155,953	—	7,155,953	3,527,405	—	3,527,405
Transfer to Society of the Sacred Heart CIO (Charity Registration Number 1179288)	24	48,735,831	10,631	48,746,462	—	—	—
Total expenditure		55,891,784	10,631	55,902,415	3,527,405	—	3,527,405
Net (expenditure) income before net gains (losses) on investments	10	(52,773,841)	(10,631)	(52,784,472)	4,938,481	—	4,938,481
Net gains on listed investments	14	1,429,750	—	1,429,750	241,295	—	241,295
Loss on revaluation of investment property	14	(100,000)	—	(100,000)	—	—	—
Net (expenditure) income and net movement in funds		(51,444,091)	(10,631)	(51,454,722)	5,179,776	—	5,179,776
Reconciliation of funds:							
Balances brought forward at 1 July 2018		51,444,091	10,631	51,454,722	46,264,315	10,631	46,274,946
Balances carried forward at 30 June 2019		—	—	—	51,444,091	10,631	51,454,722

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

All of the charity's activities derived from continuing operations until 30 June 2019. With effect from midnight on 30 June 2019, the activities, transactions, assets and liabilities of the charity were transferred as a going concern to Society of the Sacred Heart CIO (the successor charity), a Charitable Incorporated Organisation (CIO), Charity Registration No 1179288 (see note 23).

Balance sheet 30 June 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	13		—		7,488,183
Investments	14		—		37,716,833
			—		45,205,016
Current assets					
Debtors	15	—		4,434,977	
Cash at bank and in hand		—		2,144,526	
		—		6,579,503	
Creditors: amounts falling due within one year	16	—		(304,797)	
Net current assets			—		6,274,706
Creditors: amounts falling due after more than one year	17		—		(25,000)
Total net assets			—		51,454,722
The funds of the charity:					
Restricted income funds	18		—		10,631
Unrestricted income funds					
. General funds			—		6,101,479
. Tangible fixed assets fund	19		—		7,488,183
. Programme related investments fund	20		—		842,211
. Designated funds	21		—		37,012,218
			—		51,454,722

Approved by the trustees and signed
on their behalf by:

Sister Catherine Lloyd

Trustee

Approved by the trustees on: 8 January 2020

Statement of cash flows Year to 30 June 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(788,883)	(6,168,697)
Cash flows from investing activities:			
Investment income and interest received		1,196,551	1,170,536
Proceeds from the disposal of tangible fixed assets		1,276,560	5,992,756
Purchase of tangible fixed assets		(1,391,668)	(1,145,138)
Proceeds from the disposal of listed investments		32,604,774	—
Purchase of listed investments		(31,901,818)	—
Purchase of programme related investments		(2,410)	(2,375)
Disposal of investment cash deposits		1,029,598	2,500,418
Net cash provided by investing activities		2,811,587	8,516,197
Change in cash and cash equivalents in the year		2,022,704	2,347,500
Cash and cash equivalents transferred to Society of the Sacred Heart CIO (Charity Registration Number 1179288)		(5,341,541)	—
Cash and cash equivalents at 1 July 2018	B	3,318,837	971,337
Cash and cash equivalents at 30 June 2019	B	—	3,318,837

Notes to the statement of cash flows for the year to 30 June 2019.

A Reconciliation of net movement in funds to net cash used in operating activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	(51,454,722)	5,179,776
Adjustments for:		
Depreciation charge	434,306	235,462
Gains on listed investments	(1,429,750)	(241,295)
Loss on revaluation of investment property	100,000	—
Transfer to Society of the Sacred Heart CIO (Charity Registration Number 1179288)	48,746,462	—
Investment income and interest receivable	(1,078,449)	(1,177,302)
Surplus on disposal of tangible fixed assets	(766,747)	(5,990,255)
Decrease (increase) in debtors	4,071,145	(4,291,222)
Increase in creditors	588,872	116,139
Net cash used in operating activities	(788,883)	(6,168,697)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	4,351,661	2,144,526
Cash held by investment managers	989,880	1,174,311
	5,341,541	3,318,837
Transferred to Society of the Sacred Heart CIO (Charity Registration Number 1179288)	(5,341,541)	—
Total cash and cash equivalents	—	3,318,837

Principal accounting policies Year to 30 June 2019

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 30 June 2019 with comparative information given in respect to the year to 30 June 2018.

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) issued on 16 July 2014, 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 judgements 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;
- ◆ estimating the value of investment properties;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge; and
- ◆ determining the value of the designated funds needed at the year end and, in particular, estimating the size of the retirement reserve created in order to provide for the continuing care of the members for the remainder of their lives.

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 one year from the date of approval of these accounts and have included in their assessment the fact that with effect from midnight on 30 June 2019 the activities, assets and liabilities were transferred on a going concern basis to Society of the Sacred Heart, a Charitable Incorporated Organisation (Charity Registration Number 1179288) (the successor charity). The transfer was in accordance with a legal deed of transfer dated 30 June 2019.

Assessment of going concern (continued)

On the basis that the activities of the charity will continue within Society of the Sacred Heart CIO and that the assets and liabilities were transferred on a going concern basis, the trustees of the charity have concluded that it is appropriate for the accounts to be prepared on a going concern basis. The trustees are of the opinion that the charity and its successor charity will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. Given that the assets of the charity have been transferred to the CIO with effect from midnight on 30 June 2019, there are no material uncertainties that may affect the carrying value of the assets held by the charity. With regard to the first accounting period for the CIO i.e. the period ending 30 June 2020, the most significant areas that may affect the carrying value of the assets held by that charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Income (continued)

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 being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Hostel income and rents receivable from charitable activities are recognised when the income is contractually due to the charity under rental and tenancy agreements. It is accounted for at fair value and on an accruals basis to the extent that it is probable that the economic benefits will flow to the charity.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

Expenditure

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 stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- ◆ Donations payable
Donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. When such donations have not been paid at the end of the financial year they are accrued for.
- ◆ The support of members of the Society and their ministry

Expenditure (continued)

Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.

- ◆ Provision of hostel accommodation
Expenditure on Barat House which provides accommodation for five students.

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 are the costs associated with the governance arrangements of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

Tangible fixed assets

All assets costing more than £3,000 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings
Freehold land and buildings are shown on the balance sheet at cost or, where donated, at their value at the date of donation.
 - ◇ Residential
Buildings designed as, and used wholly or mainly for, private residential accommodation, are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially different from their book value.
 - ◇ Purpose built residential care home
Other buildings comprising a residential care home for elderly sisters are stated at cost. Depreciation is provided on a straight-line basis over a 15 year period.
- ◆ Leasehold property
Leasehold property is shown on the balance sheet at cost less depreciation. Depreciation is provided so as to write off the cost of the leasehold property over the remaining period of the lease.
- ◆ Building improvements
Expenditure on items classed as building improvements is capitalised and depreciated over a ten year period on a straight line basis.

Tangible fixed assets (continued)

♦ Fixtures and fittings

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a three or four 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 the cost of each vehicle over its estimated useful life.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value. The valuations have been determined as set out in note 14a to these accounts.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Programme related investments

Programme related investments are social investments made directly in pursuit of the charity's charitable purposes.

Unquoted equity investments are held at cost, less any provision for diminution in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Property is held at cost, less any provision for diminution in value.

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. Cash placed on deposit for more than one year is disclosed as a fixed asset investment. Cash at bank and in hand is a basic financial instrument, which is initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

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 the charity's tangible fixed assets.

The programme related investments fund represents the value of the charity's programme related investments. These investments comprise land and buildings owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees that such assets should continue to be used for these purposes and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

The restricted funds comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

Services provided by members of the Society

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

Pension costs

Employer's contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme.

Principal accounting policies Year to 30 June 2019

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Salaries and pensions of individual religious received under Deed of Covenant or Gift Aid	713,732	—	713,732	741,934	—	741,934
Other donations	5,166	—	5,166	13,809	—	13,809
Legacies	97,415	—	97,415	275,600	—	275,600
	816,313	—	816,313	1,031,343	—	1,031,343

2 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Income from listed investments						
. UK Common investment funds and Charity Authorised Investment Funds	982,593	—	982,593	1,030,136	—	1,030,136
Interest on cash instruments	—	—	—	5,141	—	5,141
Income from programme related investments	1,977	—	1,977	2,375	—	2,375
Rental income from investment property	78,941	—	78,941	127,389	—	127,389
Bank interest and interest on short term deposits	14,938	—	14,938	12,261	—	12,261
	1,078,449	—	1,078,449	1,177,302	—	1,177,302

3 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Hostel income	40,326	—	40,326	27,835	—	27,835
Other rent receivable from charitable activities	69,607	—	69,607	132,603	—	132,603
	109,933	—	109,933	160,438	—	160,438

4 Income from: Surplus on disposal of tangible fixed assets

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Surplus on the disposal of community properties	758,081	—	758,081	5,990,255	—	5,990,255
Surplus on the disposal of motor vehicles	8,666	—	8,666	—	—	—
	766,747	—	766,747	5,990,255	—	5,990,255

5 Income from: Miscellaneous sources

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Compensation receivable in respect to 'Right to Light' claim	165,750	—	165,750	—	—	—
Investment manager fee rebate (note 14)	108,681	—	108,681	100,800	—	100,800
Other	72,070	—	72,070	5,749	—	5,749
	346,501	—	346,501	106,549	—	106,549

During the year, the charity was awarded compensation for the loss of light affecting a property to which it has freehold title following the construction of an adjacent building by a third party.

6 Expenditure on: Donations payable

The charity makes donations to both individuals and institutions in accordance with the donations policy set out in the report of the trustees.

The donations payable during the year were as follows:

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Contributions to the Generalate of the Society of the Sacred Heart	3,682,667	—	3,682,667	611,004	—	611,004
Donations to institutions (see overleaf)	835,968	—	835,968	259,222	—	259,222
	4,518,635	—	4,518,635	870,226	—	870,226

6 Expenditure on: Donations payable (continued)

Donations paid to institutions during the year comprised the following:

Recipient	Total 2019 funds £	Total 2018 funds £
Aid to the Church in Need	10,000	—
AVP Britain	5,000	—
Body & Soul Charity	3,000	3,000
Butterfly Tree	1,725	—
CAFOD	5,000	10,000
The Calais Appeal	2,000	1,000
Capacitar	2,000	2,500
Cardinal Hume Centre	5,000	5,000
Conference of Religious of England and Wales	10,000	—
Crisis UK	1,000	—
Digby Stuart Association	1,000	1,000
Durham Centre for Catholic Studies	—	10,000
Fenham Association of Residents (FAR) (including swimming project)	5,500	80,500
Friends of Abbey Gardens	3,000	2,000
Irish Pensioners' Group	2,500	2,500
Justice & Peace Refugee Programme: Destitute Asylum Fund	—	5,000
Literacy for ESOL Learners	1,800	3,000
Manna Society	5,000	5,000
The Medaille Trust	10,000	10,000
Medecins Sans Frontiers	2,500	—
MIND	—	3,000
Minsteracres Retreat Centre	16,193	15,598
Missio	10,000	10,000
Operation Noah	5,000	—
The Passage	10,000	5,000
Pax Christi	5,000	5,000
The Peoples' Kitchen	2,500	2,000
The Refugees and Migrant Project (RAMP)	4,000	10,000
University of Roehampton, London (see below)	500,000	—
Sacred Heart Primary School Fenham Fencing Project	—	36,564
Sacred Heart Primary School MSF Cooking Project	—	5,000
Sacred Heart Primary School	1,500	—
Sacred Heart High School Hammersmith Academy Trust (see below)	165,750	—
St Augustine's Regeneration Project	10,000	—
St Anthony's Priory	—	3,000
St Godric's	1,000	—
St Mary's RCVA	1,000	—
Traidcraft Exchange	18,000	10,000
UK Disaster Appeal	5,000	10,000
Water Aid	1,000	—
West End Refugee Service (WERS)	2,000	2,250
Young Ministry Team	2,000	—
	835,968	257,912
Donations of less than £1,000	—	1,310
Total donations paid to institutions	835,968	259,222

The donation of £500,000 to University of Roehampton, London is to provide funding for a student of the university who might otherwise be prevented from attending due to their immigration status and is for the duration of their undergraduate study (three years). The funding is to cover tuition fees, on-campus accommodation and, if the student is unable to access a Maintenance Loan, an annual living expense equivalent to the maximum government Maintenance Loan for the 2020/21 academic year.

6 Expenditure on: Donations payable (continued)

The donation to Sacred Heart High School, Hammersmith Academy Trust was equivalent to the compensation received by the charity in respect to a 'Right to Light' claim (see note 5). The trustees decided to make this gift as it was the building occupied by the school which was impacted.

7 Expenditure on: Support of members of the Society and their ministry

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Premises	257,675	—	257,675	353,652	—	353,652
Sisters' living and ministry expenses	1,690,790	—	1,690,790	1,737,041	—	1,737,041
Education, training and spiritual renewal	52,928	—	52,928	58,682	—	58,682
Other support costs	599,697	—	599,697	471,570	—	471,570
Governance costs (note 9)	31,800	—	31,800	31,140	—	31,140
	2,632,890	—	2,632,890	2,652,085	—	2,652,085

8 Expenditure on: Hostel charges and provision of hostel accommodation

This relates to the provision of hostel accommodation, primarily for those in higher education.

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Unrestricted funds £	Restricted funds £	Total 2018 funds £
Auditor's remuneration	31,800	—	31,800	31,140	—	31,140

10 Net (expenditure) income before gains (losses) on investments

This is stated after charging:

	Total 2019 £	Total 2018 £
Staff costs (note 11)	1,099,428	1,062,374
Auditor's remuneration		
. Statutory audit services	28,100	27,540
. Other accountancy services (under accrual for prior year)	3,700	3,600
Depreciation	434,306	235,462

11 Staff costs, key management personnel, trustees' remuneration and expenses and transactions with trustees

	2019 £	2018 £
Staff costs during the year were as follows:		
Wages and salaries	1,003,727	973,891
Social security costs	67,523	64,660
Pension costs	28,178	22,268
	1,099,428	1,060,819
Contractors' fees	—	1,555
	1,099,428	1,062,374
Staff costs per function were as follows:		
Support of members of the Society and their ministry	1,099,428	1,062,374

No employees earned £60,000 per annum or more (including benefits but excluding employer's pension contributions) during the year (2018 - none).

The average number of employees during the year, analysed by function, was as follows:

	2019	2018
Support of members of the Society and their ministry	49	49

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Finance and General Manager and the Care Manager at Duchesne House. The total remuneration of the key management personnel of the charity for the year was £120,731 (2018 - £120,432).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2018 - none).

As members of the Society, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £103,048 (2018 - £130,636).

12 Taxation

The Society of the Sacred Heart Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Total land and buildings (see below) £	Building improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2018	8,788,414	1,243,940	150,908	243,653	10,426,915
Additions	1,146,266	99,137	81,836	25,917	1,353,156
Disposals	(507,029)	—	—	(29,067)	(536,096)
	<u>9,427,651</u>	<u>1,343,077</u>	<u>232,744</u>	<u>240,503</u>	<u>11,243,975</u>
Transfer to Society of the Sacred Heart CIO (see note 23)	(9,427,651)	(1,343,077)	(232,744)	(240,503)	(11,243,975)
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Depreciation					
At 1 July 2018	2,444,938	231,781	41,081	220,932	2,938,732
Charge for the year	246,265	141,989	34,120	11,932	434,306
On disposals	—	—	—	(26,283)	(26,283)
	<u>2,691,203</u>	<u>373,770</u>	<u>75,201</u>	<u>206,581</u>	<u>3,346,755</u>
Transfer to Society of the Sacred Heart CIO (see note 23)	(2,691,203)	(373,770)	(75,201)	(206,581)	(3,346,755)
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net book values					
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 30 June 2018	<u>6,343,476</u>	<u>1,012,159</u>	<u>109,827</u>	<u>22,721</u>	<u>7,488,183</u>

Land and buildings

	Freehold land and buildings			Total land and buildings £
	Residential £	Purpose built £	Long leasehold property £	
Cost				
At 1 July 2018	4,490,026	3,226,284	1,072,104	8,788,414
Additions	—	1,146,266	—	1,146,266
Disposals	(507,029)	—	—	(507,029)
	<u>3,982,997</u>	<u>4,372,550</u>	<u>1,072,104</u>	<u>9,427,651</u>
Transfer to Society of the Sacred Heart CIO (see note 23)	(3,982,987)	(4,372,550)	(1,072,104)	(9,427,651)
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Depreciation				
At 1 July 2018	—	2,341,134	103,804	2,444,938
Charge for the year	—	235,664	10,601	246,265
	<u>—</u>	<u>2,576,798</u>	<u>114,405</u>	<u>2,691,203</u>
Transfer to Society of the Sacred Heart CIO (see note 23)	—	(2,576,798)	(114,405)	(2,691,203)
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net book values				
At 30 June 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 30 June 2018	<u>4,490,026</u>	<u>885,150</u>	<u>968,300</u>	<u>6,343,476</u>

13 Tangible fixed assets (continued)

Land and buildings (continued)

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 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.

Capital commitments

At 30 June 2019, the capital commitments existed in respect to the ongoing refurbishment of a purpose built care home. The commitment, which represented work contracted for but not provided for in these accounts, amounted to £230,000 (2018 – £nil). The commitment was transferred to Society of the Sacred Heart CIO at midnight on 30 June 2019.

14 Fixed asset investments

At 30 June 2019 investments comprised:

	2019 £	2018 £
Freehold investment property (see a. below)	1,200,000	2,350,000
Listed investments, cash investments and cash held for re-investment (see b. below)	34,037,387	33,995,024
Programme related investments (see c. below)	1,894,621	842,211
Cash deposits	—	529,598
	37,132,008	37,716,833
Transfer to Society of the Sacred Heart CIO (see note 23)	(37,132,008)	—
	—	37,716,833

Movements on each category of investment are summarised below:

a. Freehold investment property

	2019 £	2018 £
Market value at 1 July 2018	2,350,000	2,960,000
Reclassification as programme related investment (see note 14c)	(1,050,000)	(610,000)
Loss on revaluation	(100,000)	—
Market value at 30 June 2019	1,200,000	2,350,000
Transfer to Society of the Sacred Heart CIO (see note 23)	(1,200,000)	—
	—	2,350,000

14 Fixed asset investments (continued)**a. Freehold investment property (continued)**

A property with a carrying value of £1,050,000 that had been leased to tenants at a commercial rent has been reclassified as a programme related investment during the year. During the year the commercial tenants vacated the property and it is now occupied by The Sacred Heart High School, Hammersmith Academy Trust for purposes consistent with the charitable objectives of the charity (see note 14c).

The remaining investment property was valued as at 30 June 2019 by the trustees with professional assistance, on an open market value basis.

During the year to 30 June 2018, a residential property with a carrying value of £610,000 was reclassified as a tangible fixed asset as use changed such that it was occupied by the charity in furtherance of its own objectives.

b. Listed investments

	2019 £	2018 £
Listed investments		
Market value at 1 July 2018	32,320,713	32,079,418
Additions	31,901,818	—
Disposals at opening book value (proceeds: £32,604,774; realised gains: £284,061)	(32,320,713)	—
Net unrealised investment gains	1,145,689	241,295
Market value at 30 June 2019	33,047,507	32,320,713
Transfer to Society of the Sacred Heart CIO (see note 23)	(33,047,507)	—
	—	32,320,713
Cash instruments	—	500,000
Cash held by investment managers for re-investment		
At 30 June 2019	989,880	1,174,311
Transfer to Society of the Sacred Heart CIO (see note 23)	(989,880)	—
	—	1,174,311
	—	33,995,024
Cost of listed investments at 30 June 2019	—	24,913,612

At 30 June 2019 prior to the transfer to Society of the Sacred Heart CIO, the following individual holdings were deemed material in comparison with the market value of the total listed investment portfolio as at that date:

	2019		2018	
	Market value £	Percentage of total portfolio %	Market value £	Percentage of total portfolio %
Sarasin Endowments Fund	—	—	29,546,608	91.4
Sarasin Income and Reserves Fund	—	—	2,774,105	8.6
COIF Charities Ethical Investment Fund	33,047,507	100.00	—	—

All listed investments were dealt in on a recognised stock exchange.

14 Fixed asset investments (continued)

b. Listed investments (continued)

Until April 2019, the charity's investments were managed by Sarasin & Partners LLP. Investment manager fees were deducted automatically from the portfolio managed by Sarasin & Partners LLP on a quarterly basis and were inherent in arriving at the market value of funds held. The fees deducted were based on a fixed percentage which exceeds that contractually payable by the charity. As such, Sarasin & Partners LLP rebated fees to the charity every quarter.

The rebates, which amount to £108,681 for the year to 30 June 2019 (2018 - £100,800) are included in these accounts as miscellaneous income.

As from April 2019, the charity's investments were managed by CCLA Fund Managers Limited and a similar arrangement with regard to related fees exists.

c. Programme related investments

	2019 £	2018 £
Carrying value at 1 July 2018	842,211	239,836
Additions	2,410	2,375
Reclassification freehold investment property (see note 14a)	1,050,000	600,000
Carrying value at 30 June 2019	1,894,621	842,211
Transfer to Society of the Sacred Heart CIO (see note 23)	(1,894,621)	—
	—	842,211

Immediately prior to transfer to Society of the Sacred Heart CIO, programme related investments comprised:

	2019 £	2018 £
Freehold properties	1,650,000	600,000
Oikocredit equity shares	244,621	244,211
	1,894,621	842,211

At 30 June 2019, prior to the transfer to the CIO, the charity owned a property which, with effect from 27 June 2019, is leased to Sacred Heart High School Hammersmith Academy Trust (Company No. 07941140) at an annual peppercorn rent. As the property is no longer leased to third parties at a commercial rent, but instead is used by the School for purposes consistent with the charitable objects of the Society of the Sacred Heart Charitable Trust, and those of the successor charity, it has been reclassified as a programme related investment. Whilst classified as a freehold property investment, it was recognised at market value of £1,050,000 which included an unrealised gain of £205,000. On transfer to programme related investments, the carrying value of £1,050,000 has been treated as deemed cost with no adjustment being made to reverse the unrealised gain of £205,000.

At 30 June 2019, prior to the transfer to the CIO, the charity owned a property that is now leased to The Medaille Trust (Charity Registration No. 1117830) at a peppercorn rent to provide accommodation to those who have been victims of human trafficking. As the property is no longer used directly by the charity or its successor charity to generate a financial gain but instead is used by another charity for purposes consistent with the charitable objects of the Society of the Sacred Heart Charitable Trust, it was reclassified as a programme related investment by transferring it from tangible fixed assets during the year to 30 June 2018.

14 Fixed asset investments (continued)

c. Programme related investments (continued)

Prior to the transfer to Society of the Sacred Heart CIO, the charity had funds of £244,621 (2018 - £242,211) held in equity shares of Oikocredit, Ecumenical Development Cooperative Society U.A (Oikocredit). Oikocredit is an ethical investment opportunity which finances development projects benefiting disadvantaged and marginalised people.

15 Debtors

	2019 £	2018 £
Investment income	8,209	126,311
Other debtors	—	33,145
Proceeds receivable in respect to the disposal of freehold property	—	3,999,921
Legacies receivable	237,521	3,016,224
	245,730	4,434,977
Transfer to Society of the Sacred Heart CIO (see note 23)	(245,730)	—
	—	4,434,977

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Social security costs	—	23,145
Accruals	128,972	157,705
Additions to tangible fixed assets – refurbishment of Duchesne House	60,435	98,947
Donations payable (note 6)	690,750	25,000
	880,157	304,797
Transfer to Society of the Sacred Heart CIO (see note 23)	(880,157)	—
	—	304,797

17 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Donations payable	—	25,000

18 Restricted funds

	At 1 July 2018 £	Income £	Expenditure £	Transfer to Society of the Sacred Heart CIO £	At 30 June 2019 £
Peace garden	5,631	—	—	(5,631)	—
Other	5,000	—	—	(5,000)	—
	10,631	—	—	(10,631)	—

18 Restricted funds (continued)

	At 1 July 2017 £	Income £	Expenditure £	At 30 June 2018 £
Peace garden	5,631	—	—	5,631
Other	5,000	—	—	5,000
	10,631	—	—	10,631

19 Tangible fixed assets fund

	2019 £	2018 £
At 1 July 2018	7,488,183	6,472,160
Net movements in year	409,037	1,016,023
At 30 June 2019	7,897,220	7,488,183
Transfer to Society of the Sacred Heart CIO (see note 23)	(7,897,220)	—
	—	7,488,183

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund 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 could be realisable with ease, in order to meet future contingencies.

20 Programme related investments

	2019 £	2018 £
At 1 July 2018	842,211	—
Designated in year	1,052,410	842,211
At 30 June 2019	1,894,621	842,211
Transfer to Society of the Sacred Heart CIO (see note 23)	(1,894,621)	—
	—	842,211

The programme related investment fund represented the value of the charity's programme related investments. As explained in note 14, these investments comprise land and buildings owned by the charity but used by another charity with charitable objectives consistent with those of the charity, and equity shares in Oikocredit, Ecumenical Development Cooperative Society UA, an ethical investment which finances development projects benefiting disadvantaged and marginalised people. It is the intention of the trustees of both the charity and its successor charity that such assets should continue to be used for these purposes for as long as needed and as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

21 Designated funds

The income funds of the charity included designated funds which had been set aside out of unrestricted funds by the trustees for specific purposes. With effect from midnight on 30 June 2019, the funds were transferred to Society of the Sacred Heart CIO.

	At 1 July 2018 £	New designations £	Utilised/ released £	Transfer to Society of Sacred Heart CIO (note 23) £	At 30 June 2019 £
Retirement fund	16,500,000	—	—	(16,500,000)	—
Social Justice fund	7,500,000	—	(500,000)	(7,000,000)	—
International development fund	6,000,000	—	(3,500,000)	(2,500,000)	—
Barat House Hostel fund	117,142	—	(60,055)	(57,087)	—
Ministry support fund	500,000	200,000	(200,000)	(500,000)	—
Building maintenance fund	5,000,000	90,980	(90,980)	(5,000,000)	—
Malta fund	1,395,076	32,623	—	(1,427,699)	—
	37,012,218	323,603	(4,351,035)	(32,984,786)	—

	At 1 July 2017 £	New designations £	Utilised/ released £	At 30 June 2018 £
Retirement fund	18,500,000	—	(2,000,000)	16,500,000
Social Justice fund	5,000,000	2,500,000	—	7,500,000
International development fund	3,500,000	2,500,000	—	6,000,000
Barat House Hostel fund	94,401	27,835	(5,094)	117,142
Ministry support fund	200,000	500,000	(200,000)	500,000
Building maintenance fund	3,000,000	2,110,480	(110,480)	5,000,000
Malta fund	1,384,962	10,114	—	1,395,076
	31,679,363	7,648,429	(2,315,574)	37,012,218

♦ *Retirement fund*

This consisted of monies which the trustees had set aside in order to provide for the Sisters for the remainder of their lives. The value of the fund has been calculated using actuarial principles.

♦ *Social Justice fund*

This fund consisted of monies which the trustees had set aside to provide funds in support of social justice activities of the Society of the Sacred Heart.

♦ *International development fund*

This consisted of monies which the trustees had set aside to support the international work of the Society of the Sacred Heart.

♦ *Barat House Hostel fund*

This fund represented the net assets of Barat House. The assets had been designated for use by the House only.

♦ *Ministry support fund*

This consisted of monies which the trustees had set aside for the support of charitable work.

21 Designated funds (continued)

♦ *Building maintenance fund*

This fund represented monies designated by the trustees to support a detailed review of the charity's properties.

♦ *Malta fund*

This represented monies which the trustees had designated for the care of the elderly religious in Malta.

22 Analysis of net assets between funds

The analysis of net assets between funds immediately prior to transfer to the Society of the Sacred Heart CIO was as follows:

	General fund £	Tangible fixed assets fund £	Programme related investments fund £	Designated funds £	Restricted funds £	Total 2019 £
Fund balances at 30 June 2019 are represented by:						
Tangible fixed assets	—	7,897,220	—	—	—	7,897,220
Investments	2,252,601	—	1,894,621	32,984,786	—	37,132,008
Current assets	4,586,760	—	—	—	10,631	4,597,391
Creditors falling due within one year	(880,157)	—	—	—	—	(880,157)
Total net assets	5,959,204	7,897,220	1,894,621	32,984,786	10,631	48,746,462
	General fund £	Tangible fixed assets fund £	Programme related investments fund £	Designated funds £	Restricted funds £	Total 2018 £
Fund balances at 30 June 2018 are represented by:						
Tangible fixed assets	—	7,488,183	—	—	—	7,488,183
Investments	—	—	842,211	36,874,622	—	37,716,833
Current assets	6,431,276	—	—	137,596	10,631	6,579,503
Creditors falling due within one year	(304,797)	—	—	—	—	(304,797)
Creditors falling due after more than one year	(25,000)	—	—	—	—	(25,000)
Total net assets	6,101,479	7,488,183	842,211	37,012,218	10,631	51,454,722

22 Analysis of net assets between funds (continued)

The total unrealised gains as at 30 June 2019 immediately prior to the transfer constituted movements on revaluation and were as follows:

	2019 £	2018 £
Total unrealised gains included above:		
On listed investments	861,644	7,407,101
On investment property	941,184	2,091,184
	1,802,828	9,498,285
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 July 2018	9,498,285	9,648,130
Less: in respect to disposals in the year	(7,691,146)	—
Add: net gains arising on revaluation in the year	1,045,689	241,295
Removal of unrealised gain on reclassification as a tangible fixed asset (gain included as 'deemed cost')	—	(391,140)
Removal of unrealised gain on reclassification as a programme related investment (gain included as 'deemed cost')	(1,050,000)	—
Total unrealised gains at 30 June 2019	1,802,828	9,498,285

23 Transfer to Society of the Sacred Heart CIO

With effect from midnight on 30 June 2019, the activities, assets and liabilities of the charity were transferred to the Society of the Sacred Heart CIO, Charity Registration No. 1179288 in accordance with a legal transfer of undertaking deed. The net assets at that date comprised:

	2019 £
Tangible fixed assets (note 13)	
. Cost	11,243,975
. Depreciation	(3,346,755)
	7,897,220
Fixed asset investments (including cash held by investment managers of £989,880) (note 14)	37,132,008
Debtors (note 15)	245,730
Cash at bank and in hand	4,351,661
Creditors: amounts falling due within one year (note 16)	(880,157)
	48,746,462

The assets and liabilities were represented by the following funds:

	2019 £
Restricted income funds (note 18)	10,631
General funds	5,959,204
Tangible fixed assets fund (note 19)	7,897,220
Programme related investments fund (note 20)	1,894,621
Designated funds (note 21)	32,984,786
	48,746,462

24 Connected charity and related party transactions

The charity is connected to the Digby Stuart College Trust, Charity Registration No 1050470, by virtue of the fact that the two charities have some trustees in common, use the same principal address and share some of their administrative facilities.

At 30 June 2019, Digby Stuart College Trust owed the charity £nil (2018: £10,000).

Details of donations made to the charity by the trustees during the year are provided in note 11.

There were no other related party transaction during the year requiring disclosure (2018 – none).

25 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the England-Wales Province of the Society of the Sacred Heart by virtue of the fact that the Provincial Superior of the Province oversees the appointment of the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Until midnight on 30 June 2019, the assets and liabilities of the England-Wales Province were vested in the trustees of the charity, who undertook all transactions entered into in the course of the Province's charitable activities.