



**Sisters  
Hospitallers of the  
Sacred Heart of Jesus  
Charitable Trust**

**Annual Report and Accounts**

31 December 2020

Charity Registration Number  
255695

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## Reference and administrative information

<b>Trustees</b>	Sister Maria Lourdes Sanz (Chair) Sister Encarnación Aguayo Sister Tomasa de la Torre
<b>Provincial</b>	Sister Maria Lourdes Sanz
<b>Provincial Bursar</b>	Sister Encarnación Aguayo
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<b>Charity registration number</b>	255695
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR
<b>Investment managers</b>	Coutts & Co Charity Investment 440 Strand London WC2R 0QS  Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

## Reference and administrative information

<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ
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## **INTRODUCTION AND WELCOME**

Once more on behalf of the Sisters Hospitallers of the Sacred Heart of Jesus, I am going to share with you the events, challenges and developments, together with our successes, failings and challenges of the past year.

This report gives us the opportunity to reflect upon the way and manner in which we have practiced hospitality to those with whom we have been in contact within our services. It also provides us with the opportunity of acknowledging all those people who have played a role in making it possible for us to offer personal centred care, of recognising and appreciating the work of our many volunteers, supporters, benefactors and friends, without whose help and support we would achieve so little in making a difference to the lives of the people we serve.

It is impossible to begin this annual report without making reference to the experiences and effects of the COVID-19 pandemic that took us through the past year. As usual we take the annual report as a tool to look at what has been done throughout the year and this year we have had to put aside what was normal life to face the unimaginable with the heightened challenges placed on the Social Care sector.

The XXI General Chapter "Practice Hospitality" from where the annual plan is derived, "The mission of hospitality goes forth" has been focal within the setting of the COVID-19 pandemic. I quote 'The Hospitaller Community consistently echoes its concern, heeding the pleas of men and women living in seclusion and is devoted to liberating them'. Under these circumstances we did not need to look beyond our walls, as we were surrounded internally by the needs of our residents, which led us to look at the challenging effects of the pandemic within our Homes for all of our residents along with all of our employees.

In caring for the needs of others we have taken upon ourselves the characteristics of the good Samaritans as it remains to be our role model and it has been a joy to see how every person, working within our centres, is at the service of the people they serve.

This year we introduced a new role of Managing Director, which with it we began a period of change and transition to meet our need to become more efficient and emphasises our commitment to progress the charity in a new direction.

## **Transformation**

In July, the Managing Director presented to the trustees a Programme of Modernisation, 'Going Blue', that spans the period between 2020-2024, which will be the fundamental driver for change. This systematic framework was aligned to the mission and values of the charity and was adopted by the trustees and so the period of change commenced.

## **INTRODUCTION AND WELCOME** (continued)

### **Transformation** (continued)

To date we have also recruited a new Senior Management Team, which has been carefully selected to drive the Going Blue strategy over the four year period. The Senior Management Team is fundamental to the success of the management systems and for the implementation of continual and efficient improvement throughout the organisation, while we continue to focus on providing outstanding care in all our services based on our Mission and living our values.

The outbreak of the COVID-19 pandemic caused significant disruptions to our core work of hospitality and it continues to fundamentally change the way we operate now and will do in the future. We are continually adapting new ways of keeping the charity financially stable and accountable thus allowing us to respond, recover and strive in what has become the 'new normal'. With this, we have needed to heed the pace of change and adapt policies and procedures in order to protect the health and safety of all of our residents and employees while simultaneously continuing with our operations.

In summary, we have seen a year that required us to adapt, change practices and processes, introduce new technologies and learn through these challenges to implement the most effective approach for protecting all those people involved in our mission of hospitality.

I would like to take this opportunity to acknowledge and wholeheartedly appreciate the work and support of our co-workers, sisters, volunteers and friends for their contributions in our practice of hospitality to those in need.

Sister Maria Lourdes Sanz, HSC  
Provincial Superior, English Province  
Chair of Trustees

The trustees present the report and accounts of the Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust (the "charity") for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 51 to 57 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

## **INTRODUCTION**

The Congregation of Sisters Hospitallers of the Sacred Heart of Jesus (the "Congregation") is an international Roman Catholic religious congregation, supporting 924 sisters worldwide. It was founded in Spain in 1881. The Generalate is based in Rome and the Congregation is divided into a number of individual canonical provinces. The English Province supports care homes, hospitals and health centres in England, Ghana and Liberia.

The accounts accompanying this report are the accounts of the charitable trust on which those assets of the English Province of the Congregation situated in the United Kingdom are held.

The charity is governed by a trust deed dated 31 December 1967, as amended by a scheme ("The Scheme") of the Charity Commissioners dated 13 January 2003. On 17 December 2015, the trustees, in accordance with their power under paragraph 4(1) of The Scheme resolved to amend clause 3(1) of the charity's governing document and insert a new clause 3(l). The Charity Registration Number is 255695.

The trustees of the charity are incorporated under the Charities Act 2011.

## **MISSION**

The mission of the Congregation seeks to be consistent with its origins and to respond to present challenges. Its purpose and practice reveal the relevant and concrete mission of serving the person in their suffering, and in society by offering in a variety of ways, the good news of the encounter that heals, integrates, generates and fosters humanity and holistic care. It does so by providing specialised and preferential care for people with psychiatric illness, physical and learning disabilities, with special preference for the poor.

The English Province of the Congregation of the Sisters Hospitallers of the Sacred Heart of Jesus aims to care for the elderly with dementia and Alzheimer's, together with other charitable works according to our charism, including caring and supporting the members of our Congregation. In Ghana and Liberia, the Sisters care for people with mental illness in addition to providing general health care; this work is supported financially by the charity. These ministries all benefit members of the general public.

## **Public benefit**

The charity ensures that it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit.

## **MISSION** (continued)

### **Values**

The Congregation considers its values to be a key distinctive feature, as they are qualities which define the Sisters' projects, significantly characterise their activities and manifest their special way of working.

Hospitaller values are part of our tradition – **Hospitality** is the crucial overarching value and comprises the following:

- ♦ sensitivity for the excluded;
- ♦ service to the sick and needy;
- ♦ liberating welcome;
- ♦ holistic health;
- ♦ professional quality;
- ♦ humanity in care;
- ♦ respect of ethical standards; and
- ♦ historical awareness.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES**

The activities of the charity can be divided into three principal areas: ownership and operation of three residential care homes for the elderly (Centres), the support of projects in Africa, and caring for members of the Congregation.

The charity measures the success or otherwise of its activities by comparing the aims and objectives as set out below and as presented each year in the individual Centre's annual plan and budget against actual achievements.

The manner in which achievements are assessed are helpfully categorised into the following main areas: Identity and values, care, human resources, finance and economy, organisation and management and communications. Confirmation of whether a Centre has been successful in any or all of its aims is monitored by using a variety of internal and external control processes as far as the UK care homes are concerned. These include:

- ♦ Review of the monthly reports from the Care Home Managers to the main office.
- ♦ Visits from the Managing Director and Provincial Management Team on behalf of the trustees to each Home. Any aspects that require improvement are placed onto an action plan.
- ♦ Regular visitation by the Provincial Superior to the Homes. This involves talking to residents, members of staff and relatives in the Home at the time of the visit.



**OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES** (continued)

- ◆ Annual Quality Survey of residents, relatives and members of staff; the results are taken into account when the annual plans are prepared or where action is needed immediately, the Care Home Manager is informed for more timely implementation.
- ◆ The annual plans for each Home are evaluated by the trustees.
- ◆ The charity has an “exit interview” process in order to know the reasons for staff leaving the organisation and for learning about matters that may impact our standards, aims and objectives.
- ◆ Follow up via action plans of any matters brought to our attention by external bodies and consultants e.g. the Care Quality Commission (CQC), the Health and Safety Officer, and the external auditor.
- ◆ An annual budget is prepared at the beginning of the year, is approved by the trustees and is the control used on a monthly basis by each Local Management Team.
- ◆ Financial staff from the provincial office aim to visit the Homes on a regular basis to undertake internal financial examinations and review implementation of external auditor recommendations. The Centres in Africa are audited by the relevant Diocese based on their policies and procedures.

**Residential care homes**

In England we operate three registered care homes for the care and support of people who are elderly, of which a large number have various degrees of dementia, requiring specialised support. The Homes are:

- ◆ **St Teresa's Care Home**, 40–46 Roland Gardens, London SW7 3PW;
- ◆ **St Augustine's Care Home**, Simplemarsh Road, Addlestone, Surrey KT15 1QR; and
- ◆ **Christ the King Care Home**, Foothrley Hall, Shenstone, Staffordshire WS14 0HG.

In operating these Homes, the trustees aim to:

- ◆ Provide excellent residential care to the elderly, ensuring that their needs are met fully and that they enjoy as high a quality of life as possible;
- ◆ Employ staff who have the necessary qualifications and training needed for their work;
- ◆ Ensure that the homes meet the requirements of the CQC; and
- ◆ Maintain the financial security of the homes through careful budgeting and by setting fees at levels that ensure the viability of the Homes is not threatened.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Support for projects in Africa

In Africa, the charity also supports, financially and/or with voluntary human resources, a number of projects which, although not directly owned by the charity, are closely aligned with the Congregation and other partner organisations which share the same aims and values, principally in providing hospital and day services to people with general medical/surgical needs and people with psychiatric illnesses. These projects include:

- ♦ **St Benedict Menni Rehabilitation Centre, Pipeline, Monrovia, Liberia** - The Health Centre receives support from the sisters as well as financial support. The country is very poor and still dependent on significant external help. National programmes are under way to address the problems of electricity and running water, but there is a long way to go.

Alongside the Health Centre is a newly initiated (December 2017) Mental Health Step Down Unit project. Partnered predominantly by the Aita Menni Hospital of Mondragon the sisters have been able to provide rehabilitation services to people with psychiatric disorders prior to their final discharge into the community. This facility is the only one of its kind in Liberia. During the year, the charity enabled the purchase of a replacement 4X4 vehicle to cope with the dreadful local roads.

- ♦ **St Francis Xavier Hospital, Assin Foso, Ghana** - The charity helps the Hospital by providing sisters and some medicines/equipment for the Hospital which cannot be sourced locally. It also covers the travelling costs and expenses for the European sisters.

The maternity project is in progress. The first phase of the project which involved site preparation, foundation, substructure, superstructure and roofing are complete having started in the year 2018 with project duration of 18 months. However, the completion was delayed due to lack of dedicated funds and other technical challenges on the ground. The only stage left is the final certificate by the consultant signifying that the project has been built to specifications. After the final certification is completed, the plan is to move to the second phase of the project.

The second phase of the project will involve the finishing. The full details of what the second phase of the project will be together with its associated cost is being worked on by the Project Consultant.

The third phase of the project will involve the equipping of the project and the external works including landscaping and related matters.

- ♦ **Benito Menni Hospital, Dompase, Ghana** - This Centre is supported with the provision of sisters in a manner similar to St Francis Xavier Hospital. During the year, the charity has helped the Centre to fund the food and running costs of the children's Mental Health Day Centre.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Caring for members of the Congregation

As is happening to many religious congregations, the age profile of the members of the Congregation in England is increasing and there are no new vocations. The charity continues to assist members of the Congregation in their charitable and religious work, as the Congregation has an obligation to provide care for its members, none of whom have resources of their own. Elderly and frail members of the Congregation were cared for two sisters in the Congregation's infirmary in Addlestone ensuring all members of the Congregation receive the high level of care they require to provide them with the quality of life that they have the right to expect. The aims of the trustees include:

- ◆ Reviewing the charity's property used as an infirmary and assessing its suitability for the elderly and frail; and
- ◆ Enabling all members of the Congregation to continue with their ministry for as long as possible.

### Safeguarding of vulnerable adults

The trustees recognise the necessity of ensuring the protection and safety of those in the charity's care and are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). In addition, each Home follows the CQC and Care Act regulations laid out at a national level concerning the safeguarding of residents.

## ACHIEVEMENTS AND PERFORMANCE

### Residential care homes

	St Teresa's Home	St Augustine's Home	Christ the King Home
Occupancy %	81.26%	81.32%	82.15%
Residents/beds	26	51	50
Residents' deaths in year	8	17	23
Discharges	5	11	6
Admissions	8	26	21
Average number of staff in year	28	47	36
Average number of subcontracted staff	6	5	10

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **St Teresa's Home, London**



St Teresa's Home is a residential care home with 26 beds. Lucia Clari was recruited in as Registered Care Manager to replace Sara Baldesare who retired in December 2020. Lucia is supported by a team formed by: Head of Care, Finance and Administration Officer, Local Superior and Local Community Bursar.

St Teresa's Home is located in the Royal Borough of Kensington and Chelsea and comprises of four Victorian houses refurbished into one. The Home has four stories and comprises a reception area leading to a visitors room and a large attractive lounge for our residents with fully equipped toilet facilities nearby, and views to a large enclosed patio with different sitting areas and a picturesque fish pond. There is also a bright spacious dining room with beautifully decorated tables. A state-of-the-art kitchen, with a team to match produce a delightful menu offering a variety of meals to suit all tastes and caters for special diets. The convent has its own chapel which holds regular services where everyone, including the local community is normally welcome to attend. Due to the COVID-19 pandemic this did not happen. There is a selection of 26 attractive en-suite bedrooms with additional communal fully equipped bathrooms and shower rooms.

In St Teresa's, there is a community of sisters which supports the care staff in different tasks such as helping at mealtimes, accompanying residents to appointments when family are unavailable and other activities. Staff and sisters work together to enable residents to achieve their maximum potential in a holistic manner.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **St Teresa's Home, London (continued)**

During the year, 8 members of staff left our employment and 9 joined. Due to effects of the COVID-19 pandemic, the shortages of staff in the care sector and the locality of the Home, management have again been grateful for significant additional hours being worked by existing staff. This proved positive in terms of consistency of care and reduced reliance on agency staff compared with previous years. Language barrier problems continue to be a challenge as most applicants do not have English as their first language. Management is committed to employing staff with a better command of English.

Multi-disciplinary team meetings with the GP were held virtually on a monthly basis this year. This is where all aspects of each resident's health care are discussed; greatly helping us to provide the right assistance and foresee certain risks.

Trinity Hospice offers us good support for those residents nearing the end of life.

The Home received a "Good" rating from the CQC at its 17 and 19 December 2019 inspection.

We note the following:

- ◆ The Home continues to have a reputation for providing good care.
- ◆ The Home was clean and well maintained. Fire safety checks and drills were regularly completed. There were regular, documented safety checks and external assessments of safety and equipment.
- ◆ Some people have lived in the Home for many years and there has been low staff turnover. This meant residents had continuity of care and were supported by staff who knew them well and understood their needs. A staff member said "it is like a family home here"
- ◆ Participation in the training on philosophy and values has improved, although evaluation of knowledge of Hospitaller Values requires implementation.
- ◆ All new staff participated in an induction programme, which includes consideration of standards of care.
- ◆ Most staff demonstrate commitment and loyalty to the Home, but there are still some challenges due to cultural and language barriers.
- ◆ The Home is financially stable, but management is aware of waiting lists becoming less reliable for immediately filling vacant rooms. Improved liaison with other potential sources of introduction may have improved bed occupancy levels in 2020 were it not for COVID-19.
- ◆ Communication continues to improve within the Home with visitors and professionals although attendance at relatives' meetings remains disappointing despite differing hours being provided. Communications remains strong between Management and Sisters.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **St Teresa's Home, London (continued)**

- ♦ Extra effort has been made by management to ensure communications with the local authority and residents' families is strong so that all parties understand their respective responsibilities and liabilities when residents find they are running out of funds.

### ***Staff training and development***

All training was done online this year due to the COVID-19 pandemic restrictions.

### ***Activities, outings, and entertainment***

During 2020, activities at St Teresa's Home were organised mainly indoors due to the COVID-19 pandemic. Regardless of the strict restrictions and following all safety and hygiene precautions given by the government, we managed to offer variety of activities to our residents and to ease the burden of isolation and inability to meet with families by providing physical and psychological support to their holistic wellbeing.

At the very beginning of the pandemic when strict lockdown was imposed over the whole country, we followed the guidance to care for our residents in their rooms. Activities were offered daily to residents on a rota basis to include everyone and regularly. These included 1:1 exercises, board games, crafts, music, conversations, etc. With iPads donated by the London Borough of Kensington & Chelsea council we introduced a Skype scheme to allow residents to connect with their families regularly and residents quickly got used to the new form of communication which allowed them to see and maintain contact with their loved ones. This was greatly advantageous especially to the those with differing levels of dementia and the benefits of the visual contact were obvious.

As the restrictions began easing in May 2020, Government guidance allowed that isolation was not necessary and that the Home was considered as one bubble household. At this point we introduced more social activities. Residents gathered in small groups up to 6 for exercises, games and brainteasers in the mornings.

Crosswords, documentaries, scrabble, concerts, quizzes, crafts, sensory cooking all happened in the afternoons and once the restrictions eased groups sizes increased. The reading of the memoirs of one of our oldest and highly achieved resident became a loved by all weekly event.

Supported by the Royal Borough of Kensington and Chelsea, we had the opportunity to entertain residents with weekly live concerts via Zoom. All of the residents loved meeting with new musician every week and interacted actively by asking questions and sharing stories along with enjoying the music. Once a month the performance was a sing along and it was greatly attended and thoroughly enjoyed.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### St Teresa's Home, London (continued)

#### ***Activities, outings, and entertainment (continued)***

During the whole year we implemented a new practice - celebrating Resident of the Day. Each resident had their special day every month. During that day all care related activities were reviewed by the dedicated people - involving Senior Carers, Carers, the Activities Coordinator, the Head of Care, the Deputy Manager and the Manager making sure all wishes and needs of that resident were respected and fulfilled fully and holistically. We also organised a special activity for everyone on their day, to help make them feel special, happy and cared for. Activities included pampering, favorite movies and music, visit to special shops from childhood, bicycle riding, reading poems, singing and giving flowers by each resident to the resident of the day, strawberries and wine with music in the garden, painting and collages. Photos from the monthly activities were sent to the family of the resident of the day each time to provide them with comfort about the wellbeing of their loved one.

Again, with the help of the Royal Borough of Kensington and Chelsea, we were gifted with a valuable contribution to organise activities for people with dementia – a magic table. It is a special projector which has interactive technology similar to a computer, loaded with many sensory games that can be played on a table. It helped us put a smile on residents' faces, especially those with dementia whilst increasing their social engagement. The lights and shapes projected onto the table stimulated physical interaction and involvement in the game, while the experience of sitting around a table and playing the interactive games with others made it a social experience and provoked communication with each other and staff members.

Another new monthly activity was introduced mid-year; a visit to a country to offer the residents a travel experience without leaving the Home. At the end of each month all were invited to share a cup of tea or coffee and taste delicacies from the chosen country; being transported there virtually watching interesting travel documentaries, listening to the national music and learning interesting facts from the reading of a resident.

Also, exercise dance classes began in the autumn which offered an alternative to the most active residents who preferred dancing over chair exercises. With the help of YouTube and dance workout instructors, the dance club was attended daily by several residents.

All special and religious services including Ash Wednesday, Easter (The Way of the Cross), the World Day of the Sick were respected and celebrated by residents, staff and sisters. Once restrictions started to ease residents, Sisters and volunteers met in the sitting room most Wednesdays to pray for the Rosary for peace, health and unity in family life.

Staff and residents spent 2020 during lockdown as a community and dedicated each day in enjoying time together as a family.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### St Teresa's Home, London (continued)

#### ***Activities, outings, and entertainment (continued)***

This year has been very different due to the COVID-19 pandemic, which has had a significant impact on the service as a whole and has changed many factors that affects everyone in different ways, including residents and their families, volunteers, neighbours, staff and sisters.

We now have a new Managing Director who is driven to support the charity to change for the better moving into an organisation that has the adequate technologies in place allowing us to be more efficient and productive without losing sight of our history, identity and values or losing our charism and ethos.

#### ***Pastoral care***

This year, we have suffered the consequences of the COVID-19 pandemic, since March 2020, which has affected the life of all of us here in the Home as well as all the activities that we normally do with the residents including the pastoral care activities.

This has in fact made us more aware of the need to be physically present for the residents and assist in ensuring that no one feels isolated due to the impossibility of been visited by their families. We intensified the visits to the residents in their own rooms attending to their spiritual needs, listening to them and made them feel cared for in all aspects of their life. Always, of course, taking the necessary measures by wearing the appropriate PPE (personal protective equipment), keeping at a distance and washing our hands regularly.

With the activities coordinator, we intensified the manual and intellectual activities. From several schools and parishes, we received post cards and letters written by students to each individual resident during Christmas and Easter. This brought joy and happiness to the residents and helped reduce levels of isolation. They also sent cards to the sisters of the community.

#### ***Improvements***

The great improvement in the everyday maintenance of the Home in 2020 was temporarily curtailed due to the COVID-19 pandemic. During the year, the Home's Maintenance Officer who remains well known and liked by residents and staff has continued to do his best to keep the standard high with limited resources.

More visible and appreciated improvements included:

- ◆ Flooring first and second floor corridors.
- ◆ Lounge decoration including new curtains.
- ◆ Replacement oven for the kitchen.



**OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES** (continued)

**St Teresa's Home, London** (continued)

***Inspections***

There were no inspections in the year due to the COVID-19 pandemic.

**St Augustine's Home, Addlestone, Surrey**



St Augustine's Home accommodates 51 residents. Aurea De Souza is the Registered Care Manager, supported by a team formed by: a Deputy Manager, who was recruited in mid-year, a Head of Care, a Finance and Administration Officer, and a Local Superior.

At St Augustine's, there is a community of sisters who support the care staff in different tasks such as helping at mealtimes, accompanying residents to appointments when family are unavailable and other activities. The Home is fortunate to have two cars, making sisters more mobile when assistance might require fetching and carrying. Staff and sisters work together to enable residents to achieve their maximum potential.

The Home is currently rated 'Good' by the Care Quality Commission.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **St Augustine's Home, Addlestone, Surrey (continued)**

During the year, 10 members of staff left our employment and 8 joined. The Home's biggest challenge is staff recruitment and retention. The impact of COVID-19 worsened the necessity to rely on agency carers and so costs continue to remain high. However, efforts are being deployed into recruitment and staff retention in order to reduce agency carer usage in the long run.

In the past, staff have worked collaboratively and in partnership with other healthcare professionals to ensure holistic care is given to residents. We continue to embellish this in our day-to-day operations. Whilst faith and compassionate care is what keeps the team going, a Manager and Superior who both express their Hospitality in a welcoming gregarious manner have provided a new dimension to the daily atmosphere in the Home and togetherness of sisters, staff and residents.

### ***Staff training and development***

Staff receive a full induction. The majority of mandatory training was provided for via online training in order to ensure that all staff members were kept up to speed on commencement. Where possible face to face training was provided, however due to the COVID-19 pandemic, this was limited.

### ***Activities, outings and entertainment***

St Augustine's has a variety of activities for individual needs. We focus on self-centered care and encourage the residents to do more towards their movements and use their ability to think.

Every morning most of the residents go down into the big lounge to meet their friends to have a cup of tea or coffee with biscuits. Yoga exercises happen most mornings in the same setting and Bingo is played every Tuesday morning. Other activities include carpet bowls, ring toss, bowling and tailored ball games are always a favorite. Some of the residents like to do words searches, colouring, painting and paper craft such as origami, knitting, singing and dancing, reading poems and online quizzes. Some of the Catholic and non-Catholic residents, who wish, attend Mass and residents regularly go to the chapel to pray the Rosary, attend Wednesday mass and join in on Sundays for special occasion masses.

Members of staff walk around the garden with residents and some are pushed around whilst seated in their wheelchair, making extended use of the space and gardens we are lucky to have.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### St Augustine's Home, Addlestone, Surrey (continued)

#### ***Activities, outings and entertainment (continued)***

Due to the impact of COVID-19, external entertainment was halted due to the restrictions. However, we took the opportunity to invest efforts in entertainment e-specials for special occasions such as celebrating residents' birthdays. Residents enjoyed playing dress up on key dates such as Mother's Day, St. Patrick's Day and Easter. Volunteers from the Friends of St Augustine's also performed online via You Tube and Zoom various performances to include music from 1940's – 1970's and these performances were thoroughly enjoyed by all of the residents.

#### ***Pastoral care***

The Pastoral Care Team plays an important part in the holistic care that the Home tries to give to the residents; team members take care to ensure that spiritual and psychological support needs are addressed. The pastoral care programme is carried out taking account of residents' beliefs and wishes.

Great care is taken to ensure that at the end of their lives residents have their needs fulfilled. Every effort is also made to ensure they are not left alone during the last crucial moments of life.

Despite the challenges of COVID-19, we have been able to carry out many of the activities programmed for the year.

Catholic Services have been opened to all the denominations in the Home as the other ministers were not allowed to come. The members of the Pastoral Team have been very supportive and active by:

- ◆ Visiting the residents that were bed-bound and specially at the end of life. With this, we administered the sacraments, encouraging the staff to be present.
- ◆ The team has been very creative, entertaining the residents, replacing the visits of their relatives. At each birthday of the residents, we had a real party. Three residents celebrated their 103/102/100 birthdays, and they all received birthday cards from Queen Elizabeth II, which was an honour.
- ◆ We mitigated the temporary cessation to family visits through daily communal prayers and by exchanging messages through video-conferencing. Some of the residents who have their own tablets were helped to connect with their relatives and the outside world.
- ◆ In our own style we celebrated the Church and Congregational festivities, sometimes with Priests other times with the Pastoral Team, supported by the staff. In November, a Memorial service took place for those residents that they died during the year. We lost three residents from COVID-19. May they rest in peace.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES** (continued)

### **St Augustine's Home, Addlestone, Surrey** (continued)

#### ***Pastoral care*** (continued)

The year 2020 has been a year to be remembered. It has brought us closer to God and humanity.

#### ***Improvements***

The Local Management Team has always endeavoured for the Home's to not only meet minimum care standards but strives to go beyond. The team continues to maintain the décor and furnishings of the homes, but due to its age there are always competing interests for capital related expenditure.

Capital expenditure in the year included:

- ◆ Windows were replaced throughout the Home.
- ◆ Compartmentalisation of the roof voids.
- ◆ Emergency lighting was replaced.
- ◆ En-suite (cloakrooms and drainage) were completed.
- ◆ Refurbished new staff room (dining table, chairs and fridge were replaced).
- ◆ The counter in Section B Lounge was done.
- ◆ New flooring and new furniture for the Finance and Manager's office was installed.
- ◆ 5 feet close board gates for the bin storage was installed to keep foxes out.
- ◆ Bed pan washers (Sluice Rooms) for sections A-D were replaced.
- ◆ New electric patient hoist.
- ◆ The phone system was upgraded.
- ◆ Waterproof and fire resistant wipeable armchairs were replaced in the main lounge.
- ◆ Track and curtains for resident bedrooms were replaced.
- ◆ Grass soil and waste removal was worked on to sustain the grounds.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### St Augustine's Home, Addlestone, Surrey (continued)

#### *Improvements (continued)*

During 2020, we received £89,000 from The Adult Social Care Infection Control Fund to reduce the rate of COVID-19 transmission in and between the care home and support wider workforce resilience. We have spent all the grant in line with Government guidelines to protect the Home from infection. In particular, we created isolation rooms, air purifier systems were purchased for each section and for the sluice rooms, a new washing machine was purchased, and a new Smart Temperature Machine was purchased for the reception area along with screen dividers to maintain a safe environment

#### *Inspections*

No inspections in the year due to the COVID-19 pandemic.

### Footerley Hall, Shenstone, Staffordshire



Footerley Hall is a Residential Care Home for 50 residents. Tina Boyland is the Registered Care Manager, supported by a team formed by: a Deputy Manager, Head of Care, a Finance and Administration Officer and the Local Superior. It has attractive and extensive grounds with walking areas throughout; all accessible for wheelchairs. As the Home is situated in the heart of the Staffordshire countryside the grounds also offer peace and tranquillity. Throughout the year the Home has remained focused on giving person centred holistic care as defined in the Identity Framework of the Institution.

The Home has three stories and comprises an impressive reception area leading to a visitors room, a large attractive lounge for our residents with fully equipped toilet facilities nearby, and a bright spacious dining room with tables laid for between four, six and eight places. A state-of-the-art kitchen, with a team to match that produce a delightful menu offering a variety of meals to suit all tastes and caters for special diets. The Home has its own chapel which holds regular services and everyone is welcome to attend, in normal times, including the local community.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **Footherley Hall, Shenstone, Staffordshire (continued)**

There is a good selection of bedrooms from double rooms, catering for couples, single rooms with self-supporting en-suites and regular single rooms. There are large fully equipped bathrooms on every floor with separate toilet facilities. On the first and second floors there is a small sitting room to allow residents a choice to sit quietly either alone or with other residents.

The management team have continued to work closely together to take us through the constraints and difficulties of the pandemic, and we are still on that journey. Daily routines, responsibilities have had to change in response to ever changing needs of the day. Meetings and training have had to take on a different dimension due to lockdowns, both locally and nationally. There has been a significant period during 2020 where this Home has been unable to have any non-essential visitors to the Home.

During the year, 26 members of staff left our employment and 17 joined. Due to effects of the COVID-19 pandemic, the shortages of staff in the care sector and the locality of the Home, we were supported by Agency staff.

These challenges have had an impact on the expectations of the daily operational running of the Home. No two days were the same for almost five months and we found planned days just did not happen. We were thankful for every day that we got through safely.

For these reasons we have also been unable to raise funds to help with donations due to the restrictions on visitors and volunteers to the Home that normally help immensely with this.

In adapting to the pandemic we maintained contact with resident families by emailing to all of the families our newsletter and activity poster each month and maintained communication via email of updates throughout the year. We set up Skype for residents to be able to see and communicate with their families and a lot of our communication has been done via Zoom and Teams enabling continuity of our service and operations regardless of the restrictions.

### ***Staff training and development***

A comprehensive training programme runs throughout the year for all members of staff including all mandatory courses. This updates existing qualifications and allows for accredited courses and Health & Social Care Diploma's to run alongside. Staff are also regularly trained on the identity, philosophy, and values of the Institution of the Sisters Hospitallers.

Mandatory courses all ran very successfully throughout the year with GDPR, Person Centred Care, Key Worker Training, Parkinson's, Diabetes, Falls Prevention, Nutrition and Hydration, Wound Care, MUST (Malnutrition Universal Screening Tool) training and Oral Hygiene being added to the schedule.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **Footherley Hall, Shenstone, Staffordshire (continued)**

#### ***Staff training and development (continued)***

Training is extremely important, and it is encouraged at all levels.

#### ***Activities, outings and entertainment***

During 2020, our activities changed accordingly to what we were able to still do due to the restrictions in place due to the COVID-19 pandemic.

Activities are organised by our activities co-ordinators who keeps our residents active and entertained with a daily timetable, which includes pottery, craft, card making, gentle exercise and soft ball games, during the summer months. Articles from the newspaper are read out to our residents on a daily basis along with an array of board games, knitting and card games, available for anyone wishing to partake. We have coffee mornings on a regular basis which includes a raffle, which is great fun and all proceeds go to a chosen charity.

We held regular concert afternoons whereby our residents are entertained by a variety of virtual singers from country and western to 'Name that Tune,' this is ongoing as are 'Knit and Natter' afternoons, with Progressive Mobility and Yoga fortnightly. Visits from the 'Pat' dogs did not happen this year, but we will be looking to resume these as soon as feasibly possible as our residents just adore them and find the sessions so therapeutic. During the year, we introduced a Classical Music hour which has proved so popular we've had to change rooms to accommodate!

Easter this year were of course a lot quieter than normal but were, as always, celebrated in true Footerley style. At Easter, with our Easter Bonnet Parade, Easter Egg gifts for our residents and Lent and Holy Week, honoured with Mass, Stations of the Cross, Rosary and moments of prayer. Mother's Day and Father's Day are special days and we celebrated these accordingly. Christmas was lovely too with parties from the Sisters for the residents and staff, gifts were given and buffets were enjoyed, along with a run of Christmas themed concerts and carol service.

During 2020, our residents have continued to enjoy our beautiful gardens with the rather exceptional weather we had during spring and the summer months. We lost count of the picnic lunches that we held and we were all involved – staff, our residents and our sisters even were able to come to a few. The picnic lunch became a bigger event as we added a paddling pool, bubble machine and hula hooping for anyone who fancied a go. They were super days which everyone enjoyed and as we all went to back to work our residents would simply stay out and enjoy the sunshine and gardens for the rest of the day. We celebrated VE Day in true Footerley style with our girls dressing up in homemade PPE making it seem like a true forties event! Our activity coordinators also organised fancy dress days to include an ABBA day. There was keep fit, baking, bingo, anything we were able to do we did, but mainly it was the gardens where we all headed.

## **OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)**

### **Footherley Hall, Shenstone, Staffordshire (continued)**

#### ***Activities, outings and entertainment (continued)***

Christmas was also quieter than normal. We held an online shows of A Christmas Carol, Carol Concerts were also available online and were watched by our residents in the lounge. We still managed to have our buffet and social distancing get together at Christmas and one of the carers dressed up as Father Christmas to give out the gifts our Volunteers would normally do.

Staff Length of Service celebrations were held for the Deputy Manager celebrating 30 years of service with the organisation.

#### ***Pastoral care***

Our pastoral care is integrated on a daily basis in the care we give to our residents looking after their health and wellbeing. Our residents' spiritual wellbeing has been met with services of Mass happening as much as possible and at times being held almost daily. Our Sisters are around as much as they can be to help with our residents at mealtimes and whenever the need arises which forms a very important part of the care we give and adds that very special uniqueness of our Home. We have been able to offer channels of support for COVID counselling throughout insurers and also community links with the Home.

We have showed compassion for those who have lost, those who have been isolated, those who have been ill and those who's mental wellbeing has been affected by the pandemic.

We offer Holy Communion once a fortnight to our Anglican residents where again a theme is chosen and prayers are said. We honour 'Sacrament of the Sick' with a small simple service and also on Remembrance Sunday. We hold our own Remembrance Day to honour our residents who have passed away throughout the year, this is a lovely service whereby relatives are invited to attend, a candle is lit and a rose is given in memory of their loved one. We also celebrate as many special days as possible and this year we celebrated Valentine's Day, St Patricks Day, St George's day, and of course Halloween.

Here at Footerley Hall we pride ourselves on the end of life support we are able to give. Members of the team and our Sisters try to ensure that residents, in their last moments of life, are not alone and this is a great comfort for the relatives.

#### ***Improvements***

There is a programme for keeping the Home in good order. Improvements in 2020 were limited due to the COVID-19 pandemic, but we managed to complete the following:

- ◆ Refurbishments of 2 rooms.
- ◆ IT equipment upgrades.



## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Footherley Hall, Shenstone, Staffordshire (continued)

#### *Improvements (continued)*

- ◆ Remedial work in the grounds including work on the footpaths, pond fences and river fence as well as grounds heavy work was also completed.

#### *Inspections*

No inspections took place in the year due to the COVID-19 pandemic.

### Missions in Africa

#### *St Francis Xavier Hospital, Assin Foso, Ghana*



St Francis Hospital increased bed capacity from 145 beds in 2019 to 148 in 2020. Underpinned by its mission, vision and core identity of hospitality, the Hospital was able to provide client focused, quality driven health care to its numerous clients.

2020 was a challenging year due to the COVID-19 pandemic. 40 staff got infected by the disease reducing productivity and schedules of clinical staff changed due to needing to run 12-hour shifts. Client attendance reduced significantly and the cost of obtaining PPE was overhauled with the necessity to maintain levels for safety of all.

During the year, 33 members of staff left our employment, 56 joined, 51 were promoted and 21 staff received a long service award.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### *St Francis Xavier Hospital, Assin Foso, Ghana (continued)*

The Client Satisfaction Index (CSI) for 2020 was 87.9% compared to 78.4% in 2019. Generally there has been an increase in the quality of service delivery of the hospital by 9.5%. The Staff Satisfaction Index (SSI) for 2020 was 76.1% which was a 4.2% increase from the survey results of 2019 (71.9%).

Other notable achievements include:

- ◆ The operation of Pharmacy Annex (cash and carry pharmacy); and
- ◆ On-going expansion work at the Dental Unit through donor funding.

Challenges faced by the hospital include lack of funds for sustainability and growth, staff affected with COVID and the increases in purchasing of medical supplies, further decline in OPD attendance, and increased infant mortalities

The presence of alternative health care provider – both orthodox and non-orthodox – remains the main reason for the uptake of services not being at the level of, say, five years ago. Another suspected factor for the reduced uptake of some services is the introduction of co-payment (brought in because of slow re-imbursement by the authorities of NHIS payments).

2020 Activity	Patients Seen
Accidents and emergency	8,459
Inpatients (admissions)	11,099
Outpatient department	106,199
Major surgeries	2,663
Births	3010
X-Ray	3,840
Specialist Diagnostic E. (Scans)	7,570
Physical rehabilitation	786

Key improvements to the Hospital during the year were as follows:

- ◆ The Maternity Unit Project has been presented to targeted potential donor organisations. Construction is under steady progress including completion of the skeleton building and roofing. The hospital is thankful for monetary support from the Congregation Benito Menni Foundation and private donors, GHC 78,000, and local government

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### *St Francis Xavier Hospital, Assin Foso, Ghana (continued)*



- ◆ Plans for a Psychiatry Unit have been approved, but construction has not yet commenced.

A number of outreach visits to and from potential external partners for projects/ collaborations occurred in 2020, including:

- ◆ COVID-19 Response and Institutional Capacity Building (CRIB) programme to aid in essential healthcare.
- ◆ Collaboration and establishment of a Kumasi Centre for Collaborative Research (KCCR) Centre.
- ◆ Participation with the Christian Health Association of Ghana (CHAG).

#### *Pastoral care*

'Holistic health' is one of our core values; the Hospital has a full-time chaplain. He works with a sister and a group of lay people to assist in the provision of holistic patient care.

The Chaplain works collectively and collaboratively alongside other health care professionals to provide psycho-social-spiritual services for patients and their families. He receives regular patient referrals from our staff and contributes to patients' overall care through regular involvement and liaison with members of the multi-disciplinary team.

The Chaplain's role is supportive, serving as a counsellor and guide to the psycho-spiritual needs of the staff and patients and their families.

The hospital has its own chapel and the chaplain coordinate all religious activities.

The Pastoral Care provide support in the following areas:

**OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES** (continued)

**Missions in Africa** (continued)

***St Francis Xavier Hospital, Assin Foso, Ghana*** (continued)

*Pastoral care* (continued)

- ◆ Religious support
- ◆ Bereavement care
- ◆ End of life issues
- ◆ Facing distressing news
- ◆ Care of the dying and of their relatives
- ◆ Ethical issues in patient care
- ◆ Staff support

**OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES** (continued)

**Missions in Africa** (continued)

***St Benedict Menni Centre, Monrovia, Liberia***



## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### ***St Benedict Menni Centre, Monrovia, Liberia***

St Benedict Menni Health Centre is located in Pipeline on the outskirts of Monrovia with a population of between 2,500 to 3,000 inhabitants. It provides 24 hour general medical and maternity services plus a mental health unit which has 24 bed capacity for women with treatment for HIV added in 2020.

The country endured two consecutive civil wars (1989-1996 and 1999-2003) causing the death of more than 200,000 people and a severely damaged health system; medical and nursing staff fled to more stable countries. The country has one of the highest infant mortality rates. Many former child soldiers and ex-combatants have pressing needs for rehabilitation and psychological care. The Ebola crisis hit Liberia hard and there was a certain mistrust or lack of confidence in hospital facilities; this is gradually improving. In 2019 the Liberian financial crisis worsened, and the currency has become highly unpredictable.

The Clinic offers the following services:

- ◆ General OPD and Emergency Care
- ◆ Maternity
- ◆ Maternal and Child Health (MCT)
- ◆ Diagnostic (Laboratory testing)
- ◆ Communicable diseases (TB, Leprosy and HIV)
- ◆ Pharmaceutical
- ◆ Prevention of mother to child Transmission (PMTCT)
- ◆ ART - Anti-Retroviral Treatment
- ◆ Mental Health for women

The Mental Health Centre offers the following services:

- ◆ Maria Josefa Recio Step Down Unit: Admission of patients
  - Medical treatment
  - Nursing care
  - Occupational therapies

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### *St Benedict Menni Centre, Monrovia, Liberia (continued)*

- ◆ Out-patient Department (OPD)
  - Follow-up for discharge patients
  - Consultation for new patients

#### *Partnerships and Collaborations*

The Sisters Hospitallers Centre is recognised by the Ministry of Health as a leading institution in mental health.

Great support continues to be received from Aita Menni Hospital of Mondragon (Spain), through the project "We Are Like You". Both in-kind and cash.

The Liberia College of Physicians and Surgeons (LCPS) and the Sisters have signed a Memorandum of Understanding for launching a psychiatry residency programme in the mental healthcare facility. But due to the COVID-19 the activity this year has slowed down considerable.

Our collaborations with the Boston Medical School continues and as we received two young female Neurologists and Dr Inma Navas, along with a volunteer nurse, returned to Liberia from Spain to help care for clients with special Neurological disorders.

We continue our partnership with the Carter Center, Liberia. In other news, the Centre received 20 professionals from the Carter Centre who are pursuing a six months course in Mental health.

2020 Activity	Patients seen
Outpatients	8,774
Births	180
Laboratory	16,062
<b>Mental Health Unit</b>	
Beds	24
Admissions	11
Discharges	19
Outpatients	514
Admissions	4,962

There were no major capital improvements in 2020.



## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### *Benito Menni Hospital, Dompooase, Ghana*



Benito Menni Hospital is located at Dompooase Adsani in the Adsani North District of the Ashanti Region of Ghana. It provides general medical services and a Day Care Centre for patients with mental, physical disability and clinical services to the local area, as well as outreach visits. During the year the Hospital had an increase in outpatient and inpatient numbers. Clinical care beds remained at 41 and occupancy levels increased due to the increase in admissions.

The Hospital is a Christian Health Association of Ghana ("CHAG") facility under the jurisdiction of the Obuasi Diocese. It was established by the Sisters Hospitallers in June 2001 as a Health Centre and was upgraded to a hospital in 2015.

The facility provides the following services:

- ◆ Mental Health Service and Rehabilitation Programme.
- ◆ General OPD Services
- ◆ In-patient and Emergency Services.
- ◆ Diagnostic Services
- ◆ Maternity Services
- ◆ Reproductive and Child Health Services
- ◆ Pharmaceutical Services and Water production

The pastoral care remains part of the care we offer. A group of lay staff is led by a sister and assisted by a priest.

## OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

### Missions in Africa (continued)

#### ***Benito Menni Hospital, Dompase, Ghana***

The team provide a listening presence, companionship and support to all clients and their relatives and staff irrespective of their beliefs, including the following:

- ◆ Morning devotions in the outpatient department
- ◆ Monthly celebration of Eucharist
- ◆ Home visits to the aged
- ◆ HIV client counselling
- ◆ Celebration of Congregational Feast and other special days

Outpatient attendance increased 6.6% in 2020 to 29,312 compared to 27,507 in 2019.

Infant births increased 39.7% to 560 in 2020 compared to 401 in 2019 and the infant mortality rate dropped from 0.3% to 0.2%.

2020 Activity	Patients seen
<b><i>Hospital</i></b>	
Outpatients	30,773
Laboratory	40,230
Admissions	2,723
Surgery	367
Births	560
<b><i>Mental Health</i></b>	
Outpatients	1,737
Admissions	17

Key achievements during the year were as follows:

- ◆ With limited staff capacity we were still able to manage our daily activities
- ◆ Increase in the number of home visits organised, even during this COVID-19 period
- ◆ Increased time allotment to each client to be taken through the various consultation of mental health interventions, especially counseling and psychotherapy
- ◆ Maintained 24-hour service delivery for emergency psychiatric cases
- ◆ Coordination with social welfare department to help support the day care centre



## **VOLUNTEERS**

The charity counts on a body of volunteers who assist in the provision of social and recreational activities (local volunteers) in each of the Homes. During 2020, for reasons namely of COVID-19, no volunteers were able to assist in the UK Care homes, however these volunteers remain in contact and on our records. As restrictions start to ease efforts will be placed to bring these volunteers back.

## **INTERNATIONAL VOLUNTEERS**

International volunteers are ordinarily co-ordinated from the Benito Menni Foundation, the Congregation's non-governmental organisation (NGO) for international co-operation, based in Madrid, Spain, but this programme was suspended this year due to the COVID-19 pandemic.

## **FINANCIAL REVIEW**

### **Results for the year**

Total income decreased by £84,193 during the year to £6,246,572 (2019 - £6,330,765), the main source of income being residential care fees of £5,657,711 (2019 - £5,928,016), a decrease of 4.6%.

Total expenditure rose by £398,232 to £5,837,319 (2019 - £5,439,087). The largest area of expenditure was in relation to the cost of operating the three Homes which totalled £5,500,766 for the year (2020 - £5,107,780).

Net income for the year before accounting for investment gains and losses amounted to £409,253 (2019 - £891,678). With the impact of net unrealised and realised gains on investments of £276,922 (2019 - £728,666), the net income for the year was £686,175 (2019 - £1,620,344).

In line with the charity's policy of revaluing its functional freehold property every five years, the fair values of the charity's three properties were determined with professional assistance resulting in a net gain on revaluation of £674,448 (2019 - £nil). After accounting for this revaluation gain, the overall increase to the charity's funds for the year was £1,360,623 (2019 - £1,620,344).

### **Investment policy and performance**

The trustees wish to invest the portfolio to provide a return that maintains the real (inflation adjusted) value of the capital, whilst also delivering a cash flow of around 3% per annum over the longer term. The trustees wish to follow a total return approach and are happy to generate income, capital or a combination of the two. Sufficient liquidity and cash reserves should be maintained at all times to meet any short or medium-term requirements.

The trustees wish to avoid any direct investments in armament manufacturing companies, tobacco manufacturing companies or alcoholic drink manufacturing companies and any other companies whose aims are in direct conflict with the objectives of the charity.

## **FINANCIAL REVIEW** (continued)

### **Investment policy and performance** (continued)

To meet investment objectives, the trustees have taken advice from both Coutts and Co and Rathbone Investment Management Ltd. Across their Community Fund and Province Mission Support Fund the Trustees have a risk tolerant attitude to investment risk. They wish to invest in a widely diversified investment portfolio to reflect this. However for the St Teresa's Home Support Fund and HSC Medium Risk Fund they have a moderately risk tolerant attitude.

A long-term time horizon is to be adopted – at least ten years and potentially far longer for the Community Fund and Province Mission Support Fund. For the St Teresa's Home Support Fund and the HSC Medium Risk Fund the time horizon is a little lower – five to eight years.

The return for the year (comprising both capital and income) based on an average of the opening and closing portfolio value was a gain of 5.8% (2019, 14.4%). Currently the trustees are not drawing down upon any distributions from their investment portfolios and income is reinvested. This policy will be reviewed regularly. The Trustees continue to monitor the performance of the portfolio against benchmarks agreed with Coutts and Co and Rathbone Investment Management Ltd, and are satisfied with the return for the year.

### **Reserves policy and financial position**

Funds at the end of the year amounted to £29,732,171 (2019 - £28,371,548) including restricted funds of £2,964 (2019 - £6,938) (subject to donor imposed conditions), a tangible fixed assets fund of £19,905,846 (2019 - £19,072,540) and the Sisters' retirement reserve of £5,000,000 (2019 - £5,000,000).

A decision was made by the trustees to separate the tangible fixed assets from the general funds of the charity in recognition of the fact that the assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease in order to meet future contingencies. Funds will be released on sale or disposal or depreciation of tangible fixed assets.

The retirement fund comprises monies set aside to provide for the care and support of members of the Sisters of the Hospitallers of the Sacred Heart of Jesus as they grow older. The value of the fund has been calculated using actuarial principles, but the amount designated is constrained by the assets available. Funds will be released at such point as income from pensions, investments, allocations from the Centres for duties performed by the sisters and donations to the UK communities are less than expenditure by the UK communities.

The trustees' policy is for free reserves to equate to up to twelve months' expenditure.

At 31 December 2020, free reserves amounted to £4,823,361 (2019 - £4,292,070), equivalent to ten months' of annual expenditure. The reserves, therefore, are broadly in line with the desired target and the trustees are satisfied with the year end position.

## **FINANCIAL REVIEW** (continued)

### **Fundraising**

Two of the UK Care Homes have marvellous supporters known as “Friends of Fotherley Hall” and “Friends of St Augustine’s”. These support groups are both thoroughly hands on registered charities that kindly organise fundraising events and outings / activities for our residents.

If money is donated to the Care Home for a specific asset or item of expenditure from The Friends or otherwise the charity will ensure it is used for that purpose. The UK Care Homes do little if any proactive self-fundraising but do regularly receive gifts (largely from appreciative relatives) and the occasional legacy.

Employees in the UK Care Homes are engaged in fundraising for the mission in Africa. Such fundraising has been, and is, encouraged by the Sisters without placing undue pressure on staff to either participate or donate. Residents are not approached for donations to the African mission; families and friends however may be engaged by the publicity in the Home or by staff who are partaking.

Because proactive fundraising in 2020 remained at a very small scale, the charity has not registered with the Fundraising Regulator or any similar body. No external parties are engaged to fundraise on the charity’s behalf. The charity has no knowledge of any complaints about its Fundraising activities. A professional in the UK was recruited in 2020 to assist, initially with making applications to grant making bodies for projects in Africa. However, this post did not resume in the second half of the year. In the event that the role is re-recruited for and fundraising becomes more general fundraising, the trustees will re-assess their position with the Fundraising Regulator.

### **IMPACT OF COVID-19**

The Trustees recognise the amazing work carried out on in our Care Homes as far as protecting Residents and Staff from COVID-19. The Home in London fortunately did not suffer many cases. However, in Addlestone and Shenstone a number of Residents and Staff contracted COVID-19. The West Midlands area was particularly badly hit and anecdotally Fotherley Hall, Shenstone was held up by the local authority as a bit of a model for others to follow in terms of early adoption of good practices.

Lack of PPE and guidance during the early stages meant the Care Homes expended large sums on the open market to secure supplies. Local authorities since have assisted all of our Care Homes with financial support specifically for expenses related to making our environment safe through tangible and non-tangible resources. They also provided PPE, testing kits and worked closely with our Care Homes with levels of encouragement, advice, guidance and assistance with some new technologies to help Residents connect with families, which was incredibly helpful.

All of our Care Homes managed the undue stress of all Residents who were unable to have family visit and it was a very heart breaking to see. Nevertheless, all of the care teams provided the added support during this period of uncertain and unprecedented times.

### **IMPACT OF COVID-19 (continued)**

Ongoing consideration continues to be given by the trustees on the impact of COVID-19 on the charity's cash flows. The trustees have been provided assurance from the Senior Management Team that the charity's variable costs can be managed sufficiently to ensure that the Care Homes can continue to operate as a going concern whilst continuing to meet our mission, vision and values.

### **FUTURE PLANS**

The trustees in 2021 continue to tentatively explore re-commencement of the major capital projects that were put on hold in 2016, namely:

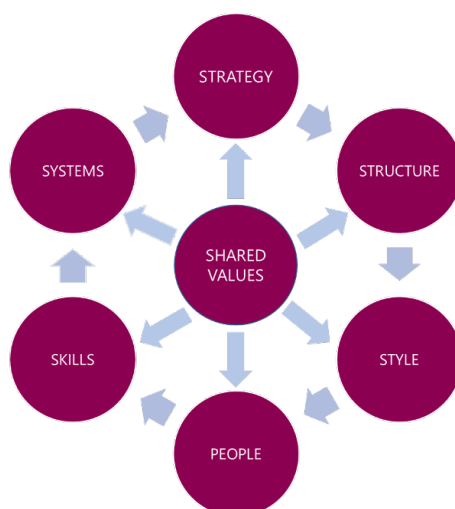
- ◆ The redevelopment and expansion plans for Addlestone; and
- ◆ The construction of 26 assisted living apartments in Shenstone.

The trustees are also looking to future proof the charitable work by considering alternative legal structures and re-looking at the modus operandi of the Care Homes. To lead on these matters and the capital projects the Managing Director will commence this work in 2021.

The charity anticipates continuing to support the work of various projects linked to the English Province of the Congregation in African countries.

### **THE MODERNISATION PROGRAMME**

The Modernisation Programme has now become the fundamental driver for change, spanning the period 2020 - 2024. This systematic framework was aligned to the mission and values of the business and was adopted by the Board of Trustees and so the period of change has commenced.



Fundamentally, the adopted strategy is a building block and the first step is to “unfreeze” our current structure, systems and processes, so as to evolve into a model for continuous improvement and therefore, will be the fundamental driver for future direction. As with any strategic direction it will be subject to change and review.

### THE MODERNISATION PROGRAMME (continued)

The overall aim of the adopted systematic model is to guide the core purpose through the field of Organisation Development (OD) – to plan and implement change in order to promote organisational effectiveness, and therefore provides the grounds on which the Province proceeds with designing, planning, and implementing change.

This process plans to self-cleanse and enhance organisational effectiveness through the adoption of one, or a combination of, change intervention strategies which are human process-based, techno-structural, socio-technical and organisational transformation strategies.

To date we have recruited a new Senior Management Team, carefully selected to drive the strategy over the planned period as this is fundamental to the success of the Management System and to the implementation of continual improvement throughout the organisation.

The Senior Management Team are especially aligned to our business values and mission and provide strong leadership, visible and active support and demonstrated commitment. Investing a new structure at this level has brought specialisms in Finance, Project Management, Business Administration, Communications and Human Resources Management to the charity.

The outbreak of COVID-19 caused significant disruptions for our core business and is fundamentally changing the way you do business, now and in the future. Apart from the focus on the Modernisation Programme, we have also had to adapt new ways of keeping the charity financially stable and accountable to allow the business to respond, recover and strive in what is the “new normal”



We have needed at pace to change and adapt policy and procedures – protecting the health and safety of residents and employees while simultaneously continuing on with our operations.

So we have had to adapt, processes, new technologies and practices through this challenge to implement the most effective approach for protecting as many stakeholders as possible.

Crucial to this, we have had to review and adapt our business continuity and bring forward and, implement remote working systems, review and implement GDPR compliance, and create, develop and put digital communication services into practice.

## **THE MODERNISATION PROGRAMME (continued)**

The “new normal” has brought forward and fast-tracked the centralised programme which will be implemented throughout 2021. This starts with the implementation of the Access Care Suite delivered by the Access Workspace. which modernises the way in which we deliver care to our residents. By the end of 2021, we will be fully functional with a true mobile care management solution that is user friendly and makes care evidencing quick, simple and detailed.

As a true mobile care management solution, it allows for access from anywhere so in the event of future pandemic lockdowns our services can be managed from anywhere, thus mitigating risk. The system will enhance compliance for all aspects of care provision, from care plans and daily records to medication and charting.

The Modernisation Programme, by the end of its term and after completing centralisation for the major part, will improve productivity, aid better collaboration, increase scores in regulatory compliance, drive scalability, and reduce cost and duplication. We are fully aware that the future will be our most challenging yet, but we see these as opportunities to improve, remain in the sector, enhance growth and gives us the opportunity to diversify.

## **RISK MANAGEMENT**

In line with the requirements for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Congregation, and hence the charity, currently faces in the UK and have reviewed the measures already in place, or needing to be put in place to deal with them. The trustees have identified five main areas where risks may occur:

### **1. Governance and management – strategic**

The Trustees embarked on a four year journey as part of a Modernisation Programme which will be the fundamental driver for change. This systematic framework has been aligned to the mission and values of the business. Alongside this, the Province's six year plan to address strategic issues for long term sustainability and relevance of services provided has been factored into the Modernisation Programme and the Annual Plans continue to be evaluated annually at each Centre.

### **2. Operational**

Through monitoring by the Care Quality Commission, and our own Quality Assurance Audits, we strive to remain relevant to the people we serve.

### **3. Financial**

The financial reporting process has been adapted to reflect the changes represented by the Modernisation Programme. Annual budget and monthly reporting systems are rigorously managed and the annual audit of the accounts assists us to ensure that proper financial controls are in place. In addition, we carry out internal audits of the finance and administration functions in our UK Centres.

### **4. Reputational**

A full employee and sisters' training programme is maintained to ensure that our reputation as a care provider gives confidence to the public.

## **RISK MANAGEMENT** (continued)

### **5. Laws, regulations, external and environment**

We strive to maintain the standards expected by the Charity Commission, the Care Quality Commission and other regulatory bodies.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated. The trustees consider they have established effective systems of monitoring and control to mitigate the identified risks:

- ◆ Operationally the charity works with vulnerable groups including the elderly. The Trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that members engaged in any ministry in the UK and all those who work or volunteer for the charity and work with vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The Trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS) and complying with the Care Quality Commission and other regulatory bodies in order to attain safeguarding standards that meet expectations.

In regard to safeguarding, the trustees have worked closely with the Care Quality Commission and other health and social service bodies to attain the required standards of monitoring and control to mitigate safeguarding risks re-occurring in any of the Homes.

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age at 31 December 2020 was 73 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members 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. As the age profile increases, so too does the need to provide care for the members. Key elements of the management of this risk are: (a) ensuring that the 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 members encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity donates charitable funds in support of its missionary work in Africa. The majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in the UK or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.

### **RISK MANAGEMENT (continued)**

- ◆ One of the charity's principal assets comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees plan to meet each year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.
- ◆ In respect of COVID-19, the charity follows advice from Public Health England, the NHS, local health authorities and the charity's health and safety advisors to assess and reduce risk for residents and indeed everyone in our care. This included having regard for individual vulnerabilities and for workers in the Care Homes, their travel to and from work. Measures to reduce the risk of the infectious disease were varied and adapted for to ensure safety was paramount
- ◆ A significant part of the charity's income is from residents, funded in part or in whole by local government or other public bodies at a level that is sufficient to cover the cost of valued care provision. The trustees are mindful of the tension and reputational issue this poses; the charity wants to put the individual resident and their needs as the number one priority yet the trustees have a duty to act in the best interests of all beneficiaries by maintaining sufficient income. The trustees remain close to all the UK Homes so that the charity's approach can be both personal and well considered in terms of public benefit.

### **GOVERNANCE, STRUCTURE AND MANAGEMENT**

#### **Governance**

In terms of Canon Law, the Congregation of Sisters Hospitallers of the Sacred Heart of Jesus is governed at international level by the Superior General and her Council in Rome. They are elected every six years at a General Chapter, by representatives of the Congregation from around the world. The English Province is governed by the Provincial and her Council who are in turn elected by representatives of the members of the English Province.

The Superior General is required to make a canonical visit at least once every six years, and the Provincial visits all the Centres on a regular basis throughout her term of office. The Provincial ensures that a monthly visit is made to each care establishment to ensure that the people who use the service are being adequately supported. This was limited during 2020 due to the COVID-19 pandemic. However, alternative communication tools were put in place to ensure that physical visits were replaced by video calling.

In respect to Civil Law the charity is registered with the Charity Commission in England and Wales.



## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Governance** (continued)

Trustees of the charity are chosen from the Provincial Council and include the Provincial Bursar. They are chosen for their understanding and experience of the ministries of the Congregation and charity. When new trustees are elected, they spend a period of time with their outgoing predecessors who have finished their term of office; this is especially critical for the chair of trustees in order to comprehend the diversity and depth of responsibility. During their period of office Trustees attend relevant courses to further understand and assist with their duties.



**Sister Maria Lourdes  
Sanz**



**Sister Encarnación  
Aguayo**



**Sister Tomasa  
de la Torre**

### **Structure and management reporting**

The Trustees are ultimately responsible for the policies, activities and assets of the charity. They meet at least six times a year to review developments with regard to the charity or its activities and make any important decisions. When necessary, the Trustees seek advice and support from the charity's professional advisors, including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or Senior Management Team.

In 2020, the English Province comprised 49 sisters who lived as part of six communities. One community home is situated in each of Staffordshire, London, Surrey, Liberia and in Ghana. Each UK community provides care services to one of the charity's registered Care Homes. In Africa, we offer care and support to the sick and the needy in hospitals, health care centres and day centres for people with mental illness.

Each community has a Local Superior appointed by the Provincial. The Local Superior is responsible for the needs and care of the sisters in her community and she liaises regularly with the Provincial. The Local Superior, where applicable, works closely with the Registered Manager of the service, ensuring that the ethos of the Congregation remains part of the everyday running of the Centre.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Structure and management reporting** (continued)

The charity now has a Provincial Management Team that meet at least six times a year and comprises the Trustees, the Managing Director and the Senior Management Team. This group is accountable to the trustees but works towards promoting a harmonious and consistent application of procedures and policies across the Province. Each Centre has its own Local Management Team consisting of sisters and co-workers in posts of responsibility that monitor day-to-day management and application of the plans for the Centres.

The charity uses a consistent format to complete the annual strategic plan for each of the Centres. This follows the guidelines of the Congregation and it is a good tool for evaluating and improving our annual planning process in order to achieve the charity's objectives.

### **Key management personnel**

The Trustees (including the Provincial and Provincial Bursar) consider that they together with the Provincial Management Team comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

The pay of the Centres' Management Team is reviewed annually by the trustees. Pay is normally increased in accordance with average earnings. In view of the nature of operations of the care homes and the national shortage of care home managers and care staff, the Trustees benchmark pay rates against pay levels in other similar charitable care homes. The remuneration benchmark is based on published pay grades for managers, care and administrative staff but takes in to account additional responsibilities to ensure that the remuneration paid is fair and not out of line with that paid for similar roles.

### **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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees' responsibilities statement** (continued)

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

The trustees are responsible for keeping proper accounting records that 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, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Working with other organisations**

The charity works with other organisations including:

- ◆ Local Authority Social Services Departments;
- ◆ Local Primary Care Trusts and GPs;
- ◆ Local Care Associations; and
- ◆ Local dioceses and parishes.

## **EMPLOYEES, MEMBERS OF THE CONGREGATION AND VOLUNTEERS**

The Trustees wish to record their recognition of the professionalism and commitment of all their staff and individual members of the Congregation. Their dedication and positive approach are greatly appreciated.

The Trustees also look forward to having volunteers return back to all of the Centres and are deeply valued by the charity at large as they provide that added support of accompanying residents, assisting in activities, driving and fundraising.

Sisters in England undertake a variety of roles depending upon their age and physical abilities. Some have roles in management and others undertake ancillary roles that give carers more time for their skilled services. A small number of sisters are themselves in receipt of care. In Africa all the sisters have specific roles and duties.

**EMPLOYEES, MEMBERS OF THE CONGREGATION AND VOLUNTEERS** (continued)

In Africa, because volunteering is largely from professionals overseas, this whole aspect is far more formal and programmes are prepared according to the requirement and the individuals' qualifications. This is often in coordination with the Benedict Menni Foundation.

Approved by the trustees and signed on their behalf by:

Sister María Lourdes Sanz

Trustee

Approved on: 28<sup>th</sup> January 2022

**Independent auditor's report to the trustees of Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust**

**Opinion**

We have audited the accounts of Sisters Hospitallers of the Sacred Heart of Jesus Charitable Trust (the 'charity') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

### **Other information**

The 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 statement of trustees' responsibilities, 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), and key laws and regulations that relate to care homes (Care Standards Act 2000, Care Homes Regulation 2001 and the Care Act 2014); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

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

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

**Auditor's responsibilities for the audit of the accounts** (continued)

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Performed substantive testing on expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reviewing the minutes of meetings of trustees' meetings; and
- ◆ Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Use of our report**

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

28 January 2022

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

# Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>Income from:</b>							
Donations, grants and legacies	1	124,955	246,919	371,874	186,215	75,600	261,815
Investments and interest	2	165,012	—	165,012	127,704	—	127,704
Charitable activities							
. Residential and care fees		5,657,711	—	5,657,711	5,928,016	—	5,928,016
Other							
. Coronavirus Job Retention Scheme income		31,568	—	31,568	—	—	—
. Sundry income		20,407	—	20,407	13,230	—	13,230
<b>Total income</b>		<b>5,999,653</b>	<b>246,919</b>	<b>6,246,572</b>	<b>6,255,165</b>	<b>75,600</b>	<b>6,330,765</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment management fees		32,569	—	32,569	15,455	—	15,455
Charitable activities							
. Provision of residential and care services							
.. Operation of care homes	3	5,267,424	233,342	5,500,766	5,042,567	65,213	5,107,780
.. Costs in relation to possible redevelopment of care homes		(283)	—	(283)	12,435	—	12,435
. Support of members of the Congregation		159,338	—	159,338	179,729	—	179,729
. Grants and donations		127,378	17,551	144,929	114,917	8,771	123,688
<b>Total expenditure</b>		<b>5,586,426</b>	<b>250,893</b>	<b>5,837,319</b>	<b>5,365,103</b>	<b>73,984</b>	<b>5,439,087</b>
<b>Net income (expenditure) before investment gains</b>		<b>413,227</b>	<b>(3,974)</b>	<b>409,253</b>	<b>890,062</b>	<b>1,616</b>	<b>891,678</b>
Net gains on investment assets	9	276,922	—	276,922	728,666	—	728,666
<b>Net income (expenditure) for the year</b>	5	<b>690,149</b>	<b>(3,974)</b>	<b>686,175</b>	<b>1,618,728</b>	<b>1,616</b>	<b>1,620,344</b>
<b>Other recognised gains and losses</b>							
Net gains on the revaluation of functional freehold property	8	674,448	—	674,448	—	—	—
<b>Net movement in funds</b>		<b>1,364,597</b>	<b>(3,974)</b>	<b>1,360,623</b>	<b>1,618,728</b>	<b>1,616</b>	<b>1,620,344</b>
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 January 2020		28,364,610	6,938	28,371,548	26,745,882	5,322	26,751,204
Total funds carried forward at 31 December 2020		<b>29,729,207</b>	<b>2,964</b>	<b>29,732,171</b>	<b>28,364,610</b>	<b>6,938</b>	<b>28,371,548</b>

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

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

**Balance sheet** 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	8		<b>19,905,846</b>		19,072,540
Investments	9		<b>7,926,630</b>		7,309,808
			<b>27,832,476</b>		26,382,348
<b>Current assets</b>					
Debtors	10	<b>147,784</b>		176,429	
Cash at bank and in hand		<b>2,411,259</b>		2,357,470	
		<b>2,559,043</b>		2,533,899	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<b>(659,348)</b>		(544,699)	
<b>Net current assets</b>			<b>1,899,695</b>		1,989,200
<b>Total net assets</b>			<b>29,732,171</b>		28,371,548
<b>The funds of the charity</b>					
<b>Income funds:</b>					
Restricted funds	12		<b>2,964</b>		6,938
Unrestricted funds					
. General fund			<b>4,823,361</b>		4,292,070
. Tangible fixed assets fund	13		<b>19,905,846</b>		19,072,540
. Designated funds	14		<b>5,000,000</b>		5,000,000
			<b>29,732,171</b>		28,371,548

Approved by the trustees and signed on their behalf by:

Sr María Lourdes Sanz

Trustee

Approved on: 28<sup>th</sup> January 2022

## Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>530,196</b>	896,810
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>165,012</b>	127,704
Proceeds from the disposal of tangible fixed assets		—	801
Purchase of tangible fixed assets		<b>(305,908)</b>	(246,004)
Proceeds from the disposal of investments		<b>1,717,217</b>	5,210,160
Purchase of investments		<b>(2,048,205)</b>	(7,329,851)
<b>Net cash used in investing activities</b>		<b>(471,884)</b>	(2,237,190)
<b>Change in cash and cash equivalents in the year</b>		<b>58,312</b>	(1,340,380)
<b>Cash and cash equivalents at 1 January 2020</b>	B	<b>2,397,108</b>	3,739,505
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>4,389</b>	(2,017)
<b>Cash and cash equivalents at 31 December 2020</b>	B	<b>2,459,809</b>	2,397,108

### Notes to the statement of cash flows for the year to 31 December 2020

#### A Reconciliation of net income for the year to net cash provided by operating activities

	2020 £	2019 £
<b>Net income for the year (as per the statement of financial activities)</b>	<b>686,175</b>	1,620,344
<b>Adjustments for:</b>		
Depreciation charge	<b>147,051</b>	149,374
Gains on the disposal and revaluation of investments	<b>(276,922)</b>	(728,666)
Foreign exchange (gains) losses	<b>(4,389)</b>	2,017
Dividends and interest from investments	<b>(165,012)</b>	(127,704)
Surplus on disposal of tangible fixed assets	—	(800)
Decrease (increase) in debtors	<b>28,645</b>	(31,776)
Increase (decrease) in creditors	<b>114,648</b>	14,021
<b>Net cash provided by operating activities</b>	<b>530,196</b>	<b>896,810</b>

#### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<b>2,411,259</b>	2,357,470
Cash held by investment managers	<b>48,550</b>	39,637
<b>Total cash and cash equivalents</b>	<b>2,459,809</b>	2,397,107

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## Principal accounting policies 31 December 2020

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

### **Basis of preparation**

These accounts have been prepared for the year to 31 December 2020 with comparative information provided in respect to the year to 31 December 2019.

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

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

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the fair value of the charity's freehold properties which have been determined with professional assistance. The valuations are prepared on the assumption that the property, if sold, would continue to be used as a care home with the convent and ancillary elements being valued on the basis of vacant possession;
- ◆ the trustees' assessment of whether the carrying value of the charity's freehold property may be impaired;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts by management;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted fund; and
- ◆ the assumptions made in relation to future income and expenditure flows for the purposes of assessing going concern.

### **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.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

In forming their assessment the trustees considered the impact of the ongoing COVID-19 pandemic on the charity's operations, with a particular focus on its effect on the charity's financial position including the charity's income, expenditure and reserves; the charity's beneficiaries; and the charity's employees. Whilst they acknowledge the disruption caused by the pandemic to the charity's day-to-day operations, including the impact on occupancy levels and the added cost of staff and PPE, the trustees do not consider this to be a cause for material uncertainty in respect to the charity's ability to continue as a going concern.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the 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).

### **Scope**

The accounts include all the activities and net assets of Sisters of Hospitallers of the Sacred Heart of Jesus Charitable Trust (the Congregation) in England. The accounts do not include the activities and assets of the Congregation overseas as these are controlled by the Congregation, not the charity's trustees.

### **Income recognition**

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

Income comprises donations and legacies, investment income, interest receivable, fees receivable from the provision of care to the residents of the care home and sundry income.

**Income recognition** (continued)

Donations, including the pensions of individual religious received under Gift Aid or deed of covenant, and grants are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations and/or 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. 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; this is normally upon notification by the investment manager.

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.

Fees derived from the provision of care to the residents of the care homes are recognised as income based on the period to which the residency relates.

Grants and other income receivable in relation to Covid-19, including income from the Coronavirus Job Retention Scheme Coronavirus Job Retention Scheme, is credited to the statement of financial activities once the charity is entitled to the funding and when the amount receivable has been quantified.

**Services provided by members of the Congregation**

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

### **Expenditure recognition and the basis of apportioning costs**

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

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
  - ◇ Expenditure on the support of members of the Congregation and their ministry. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of residential and nursing care, and the relief of poverty.
  - ◇ Expenditure incurred in the provision of residential and nursing care facilities for the elderly at the charity's residential and care homes.
  - ◇ Grants and donations relate, in the main, to the support of the Congregation's own work overseas and the support of other Roman Catholic charitable organisations.
  - ◇ Governance costs which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure can be attributed directly to the above categories and hence there has been no apportionment between headings.

### **Pension costs**

Contributions in respect of defined contribution pension schemes and contributions to a group pension plan are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.



### **Tangible fixed assets**

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

- ◆ **Freehold land and buildings**

Freehold land and buildings comprise the charity's care homes. They are included in the accounts at their valuation based on existing use. Professional valuations are carried out every five years. Property improvements undertaken in between valuations are included in the accounts at cost.

Upward revaluations are credited to the statement of financial activities as an unrealised gain. Downward revaluations are debited to the statement of financial activities as an unrealised loss to the extent that this reverses a previous revaluation gain on the same asset; thereafter any further downward revaluation is recognised as an impairment loss within resources expended.

No depreciation is provided on the freehold buildings as the trustees are satisfied that their residual value is not materially less than their book value. Provision is made against the valuation where there is evidence of material reductions in values.

- ◆ **Medical and surgical equipment**

Expenditure on the purchase and replacement of medical and surgical equipment is capitalised and depreciated over a five year period on a straight line basis.

- ◆ **Plant, fixtures, fittings and office equipment**

Expenditure on the purchase and replacement of plant, fixtures, fittings and office equipment is capitalised and depreciated over a five to ten 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.

### **Heritage assets**

The charity owns a number of artefacts and paintings that have not been valued for the purposes of these accounts on the grounds that information regarding the cost or valuation of such assets cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. In the main, these artefacts and paintings are of a religious nature and the trustees consider that their ownership is consistent with the principal charitable objective of the charity of advancing the Roman Catholic faith. Many of these assets have been given or bequeathed to the charity and it is the intention of the trustees that such assets will be held indefinitely.

### **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.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if 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.

### **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.

### **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.

### **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.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects.

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

### **Leases**

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

**1 Income from donations, grants and legacies**

	Un-restricted funds £	Restricted funds £	Total funds 2020 £	Un-restricted funds £	Restricted funds £	Total funds 2019 £
Donations and gifts	8,662	16,309	24,971	4,588	13,716	18,304
Covid-19 related support grants	—	230,610	230,610	—	—	—
Legacies	—	—	—	—	61,884	61,884
Pensions of individual religious received under gift aid or deed of covenant	116,293	—	116,293	181,627	—	181,627
	<b>124,955</b>	<b>246,919</b>	<b>371,874</b>	<b>186,215</b>	<b>75,600</b>	<b>261,815</b>

**2 Income from investments and interest**

	Un-restricted funds £	Restricted funds £	Total funds 2020 £	Un-restricted funds £	Restricted funds £	Total funds 2019 £
Income from listed investments	159,456	—	159,456	114,173	—	114,173
Bank interest receivable	5,556	—	5,556	13,531	—	13,531
	<b>165,012</b>	<b>—</b>	<b>165,012</b>	<b>127,704</b>	<b>—</b>	<b>127,704</b>

**3 Expenditure on charitable activities: Operation of care homes**

	Un-restricted funds £	Restricted funds £	Total funds 2020 £	Un-restricted funds £	Restricted funds £	Total funds 2019 £
Staff costs (note 6)	3,291,428	—	3,291,428	2,954,047	—	2,954,047
Premises costs	771,785	2,732	774,517	689,182	65,213	754,395
Care and welfare costs	895,113	230,610	1,125,723	1,054,082	—	1,054,082
Depreciation	147,051	—	147,051	149,374	—	149,374
Governance costs (see note 4)	27,531	—	27,531	23,256	—	23,256
Other operating costs	134,516	—	134,516	172,626	—	172,626
	<b>5,267,424</b>	<b>233,342</b>	<b>5,500,766</b>	<b>5,042,567</b>	<b>65,213</b>	<b>5,107,780</b>

**4 Governance costs**

	2020 £	2019 £
Auditor's fees	<b>27,531</b>	23,256

## 5 Net income (expenditure) for the year

This is stated after charging (crediting):

	2020 £	2019 £
Staff costs (note 6)	<b>3,291,428</b>	2,954,047
Depreciation (note 8)	<b>147,051</b>	149,374
Gain on disposal of tangible fixed assets	—	(800)
Foreign exchange (gains) losses	<b>(4,389)</b>	2,017
Auditor's remuneration		
. Statutory audit services	<b>27,531</b>	23,256

## 6 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Wages and salaries	<b>2,645,374</b>	2,411,984
Social security costs	<b>205,251</b>	172,988
Pension costs	<b>115,800</b>	100,645
	<b>2,966,425</b>	2,685,617
Agency staff and other costs	<b>325,003</b>	268,430
	<b>3,291,428</b>	2,954,047

The average number of employees in the year was as follows:

	2020	2019
Provision of residential and care services	<b>139</b>	144

The high agency staff costs reflect the national shortage of qualified nursing and care staff.

One employee earned between £60,000 and £70,000 per annum (including taxable benefits but excluding employer pension contributions) during the year (2019 - one).

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 (including the Provincial and the Provincial Bursar) and the Centres' Management Team. The total remuneration (including taxable benefits, employer's pension contributions, and employer's social security costs) of the key management personnel for the year was £330,031 (2019 - £246,481).

As members of the Congregation, the living and personal expenses of the trustees were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2019 - £nil).

**7 Taxation**

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

**8 Tangible fixed assets**

	Freehold property and improvements £	Medical and surgical equipment £	Plant, fixtures, fittings and office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	18,724,264	159,598	1,546,836	32,695	<b>20,463,393</b>
Additions	151,288	611	154,009	—	<b>305,908</b>
Revaluation (see below)	674,448	—	—	—	<b>674,448</b>
At 31 December 2020	<u>19,550,000</u>	<u>160,209</u>	<u>1,700,845</u>	<u>32,695</u>	<b>21,443,749</b>
Cost	—	160,209	1,700,845	32,695	<b>1,893,749</b>
Valuation – 2020	<u>19,550,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<b>19,550,000</b>
	<u>19,550,000</u>	<u>160,209</u>	<u>1,700,845</u>	<u>32,695</u>	<b>21,443,749</b>
<b>Depreciation</b>					
At 1 January 2020	—	108,757	1,257,190	24,905	<b>1,390,852</b>
Charge for year	—	14,488	129,813	2,750	<b>147,051</b>
At 31 December 2020	<u>—</u>	<u>123,245</u>	<u>1,387,003</u>	<u>27,655</u>	<b>1,537,903</b>
<b>Net book values</b>					
At 31 December 2020	<u>19,550,000</u>	<u>36,964</u>	<u>313,842</u>	<u>5,040</u>	<b>19,905,846</b>
At 31 December 2019	<u>18,724,264</u>	<u>50,841</u>	<u>288,645</u>	<u>8,790</u>	<b>19,072,540</b>

The trustees adopt a policy of revaluing their freehold property every five years. The properties have been revalued in the year of report by Gerald Eve LLP, Chartered Surveyors, on an existing use basis. The valuations were carried out in accordance with professional standards incorporating the International Valuation Standards of the Royal Institute of Chartered Surveyors (RICS). Any property improvements undertaken subsequent to this valuation have been included as additions at cost.

As permitted by Financial Reporting Standard 102 (FRS 102), the charity continues to adopt a policy of not revaluing other tangible fixed assets comprising medical and surgical equipment, fixtures, fittings and office equipment and motor vehicles. Such assets are stated at cost.

**Heritage assets**

The charity owns a number of artefacts and paintings that have not been valued for the purposes of these accounts. In the main, these artefacts and paintings are of a religious nature and the trustees consider that their ownership is consistent with the principal charitable objective of the charity of advancing the Roman Catholic faith. Many of these assets have been given or bequeathed to the charity and it is the intention of the trustees that such assets will be held indefinitely.

**9 Fixed asset investments**

	2020 £	2019 £
<b>Listed investments</b>		
Fair (market) value as at 1 January 2020	7,270,170	4,421,814
Additions at cost	2,048,205	7,329,851
Disposals proceeds	(1,717,217)	(5,210,160)
Net unrealised realised and unrealised gains	276,922	728,666
Fair (market) value as at 31 December 2020	7,878,080	7,270,171
<b>Cash held by investment managers for reinvestment</b>	48,550	39,637
	7,926,630	7,309,808
Cost of listed investments at 31 December 2020	7,235,782	6,904,890

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
Unitised funds		
. Fixed interest – UK	541,983	330,606
. Fixed interest – Overseas	316,633	425,506
. Equities – UK	5,756,863	5,391,997
. Equities – overseas	1,243,926	1,030,664
Property funds	18,675	21,268
Hedge funds and alternative instruments	—	70,130
	7,878,080	7,270,171

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

At 31 December 2020, listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation (including cash) as at that date:

Holding	2020 Market value of holding £	2020 Percentage of portfolio %
Rathbone Unit Trust Mgt Core Active Income & Growth Income Fund	2,613,900	33.2
Rathbone Unit Trust Mgt Core Investment Fund for Charities	2,448,500	31.1
Multi Units Luxembourg SICAV Shares-D USD-/Lyxor S&P 500 UCITS ETF	2,900,422	36.8

## 10 Debtors

	2020 £	2019 £
Care home fees receivable	17,318	102,654
Prepayments	125,759	28,784
Other debtors	4,707	44,991
	<b>147,784</b>	<b>176,429</b>

## 11 Creditors: amounts falling due within one year

	2020 £	2019 £
Expense creditors	229,156	169,367
Accruals	255,079	227,743
Social security and other taxes	50,054	28,905
Other creditors including fees in advance	125,059	118,684
	<b>659,348</b>	<b>544,699</b>

## 12 Restricted funds

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

	At January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Covid-19 grants fund	—	230,610	(230,610)	—
Overseas missions fund	1,971	13,577	(17,551)	(2,003)
Home missions fund	4,967	2,732	(2,732)	4,967
	<b>6,938</b>	<b>246,919</b>	<b>(250,893)</b>	<b>2,964</b>

	At January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Overseas missions fund	—	10,742	(8,771)	1,971
Home missions fund	5,322	64,858	(65,213)	4,967
	<b>5,322</b>	<b>75,600</b>	<b>(73,984)</b>	<b>6,938</b>

- ◆ The Covid-19 grants fund comprises grants received from the local authority to support the care homes with the prevention of Covid-19 transmission.
- ◆ The overseas missions fund comprises donations received for application towards the charity's missions in Africa, principally in relation to the provision of financial and/or human resources support to care establishments in Africa. Whilst the fund is in deficit at the year end, donations are expected in 2021 to cover this shortfall.
- ◆ The home missions fund comprises donations received for the work in the UK. The balance represents money donated for specific items that are yet to be purchased.



### 13 Tangible fixed assets fund

	2020 £	2019 £
At 1 January 2020	19,072,540	18,975,910
Transfer from general fund	833,306	96,630
Balance at 31 December 2020	19,905,846	19,072,540

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 funds of the charity in recognition of the fact that the assets are essential to the day-to-day work of the charity and as such their value should not be regarded as reserves available to finance charitable activities.

### 14 Designated fund

	At 1 January 2020 £	New designation £	Utilised/ released £	At 31 December 2020 £
Retirement fund	5,000,000	—	—	5,000,000

	At 1 January 2019 £	New designation £	Utilised/ released £	At 31 December 2019 £
Retirement fund	5,000,000	—	—	5,000,000

The retirement fund comprises monies set aside to provide for the care and support of members of the Sisters of the Hospitallers of the Sacred Heart of Jesus as they grow older. The value of the fund has been calculated using actuarial principles but the amount designated is constrained by the assets available.

**15 Analysis of net assets between funds**

	Unrestricted funds				Total 2020 £
	General fund £	Tangible fixed assets fund £	Retirement fund £	Restricted funds £	
Tangible fixed assets	—	19,905,846	—	—	19,905,846
Investments	2,926,630	—	5,000,000	—	7,926,630
Net current assets	1,896,731	—	—	2,964	1,899,695
	<b>4,823,361</b>	<b>19,905,846</b>	<b>5,000,000</b>	<b>2,964</b>	<b>29,732,171</b>

	Unrestricted funds				Total 2019 £
	General fund £	Tangible fixed assets fund £	Retirement fund £	Restricted funds £	
Tangible fixed assets	—	19,072,540	—	—	19,072,540
Investments	2,309,808	—	5,000,000	—	7,309,808
Net current assets	1,982,262	—	—	6,938	1,989,200
	<b>4,292,070</b>	<b>19,072,540</b>	<b>5,000,000</b>	<b>6,938</b>	<b>28,371,548</b>

The total unrealised gains as at 31 December 2020 constitute movements on revaluation. Those in respect to listed investments are as follows:

	2020 £	2019 £
<b>Unrealised gains included above:</b>		
On listed investments	<b>642,298</b>	365,281
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2020	<b>365,281</b>	204,114
Less: in respect to disposals in the year	<b>(5,868)</b>	(183,962)
	<b>359,413</b>	20,152
Add: net gains arising on revaluation arising in the year	<b>282,885</b>	345,129
<b>Total unrealised gains at 31 December 2020</b>	<b>642,298</b>	365,281

The charity adopts a policy of carrying its functional property on the balance sheet at revalued amounts. The historic cost of these properties cannot be ascertained with accuracy. The property is not being depreciated. The cumulative unrealised gains on the functional property, therefore, cannot be quantified and so cannot be disclosed accurately.

# 16 Lease commitments

At 31 December 2020 the charity had total future minimum lease payments under non-cancellable operating leases for office equipment as follows:

	2020 £	2019 £
Amounts payable		
. Within one year	15,454	12,425
. After one but within five years	12,024	11,222
. After five years	—	95
	<b>27,478</b>	<b>23,742</b>

# 17 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the English Province of the Sisters Hospitallers of the Sacred Heart of Jesus by virtue of the fact that the Provincial Superior of the Province appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province in England are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Province's charitable activities.

# 18 Related party transactions

There were no related party transactions during the year ended 31 December 2020 (2019 – none).