

**DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Miss A Coughlan Miss E McHale Miss G Eastwood Miss M Brogan Miss M Brennan Miss M Alphonse	(Appointed 26 August 2020)
<b>Charity number</b>	800119	
<b>Bankers</b>	National Westminster Bank plc 98 High Street Wimbledon London SW19 5ZH	
<b>Solicitors</b>	Potheadary Witham Weld 70 St George's Square London SW1V 3RD	
<b>Investment advisors</b>	Charles Stanley & Company Limited 55 Bishopsgate London EC2N 3AS	

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# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

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# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The object of the Trust, as stated in the Trust deed, page 2, paragraph 3 is:

- (a) "to promote the charitable work for the time being carried on, promoted or supported by the Daughters of the Heart of Mary".
- (b) To relieve the material or spiritual suffering of others "through their efforts for human development, through educational, cultural and social activities which contribute to the changing of mentalities and attitudes...participating in solidarity with mankind". (Constitutions - Daughters of the Heart of Mary - Chapter V)
- (c) Main Strategies - To encourage and support the varied activities of individual Daughters of the Heart of Mary and the organisations with which they co-operate and to support the worldwide charitable work of the Society through:
  - i) grants in aid of these works;
  - ii) enabling Daughters of the Heart of Mary from other Provinces to pursue their qualifications and skills in these works in their own countries;
  - iii) providing accommodation for DHM students and financing their formation/further education here when courses are not available in their own country. We have news from our sisters/students who completed the courses and hear how their periods of study have helped them since their return to their homeland.

### **Public benefit**

The charities trustees have referred to the guidance in the Charity Commissions general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, they have considered how planned activities will contribute to the aims and objectives they have set.

### **Background**

In 1790 at the time that the Constitutional Assembly decreed the suppression of religious orders in France, Peter Joseph de Cloriviere received the inspiration of a new form of religious life that would be possible in any circumstances. Together with Marie Adelaide de Cice (who saw her project in his inspiration) he organised the first members, whom he called Daughters of the Heart of Mary, into a religious society.

This Society came to England in 1846 and this was the first foundation outside France. The Provincial house is situated at 41 Murray Road which also serves as the Wimbledon community house.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

This religious Society came to England in 1846 and this was the first foundation outside France. Daughters of the Heart of Mary continue to serve the needs of many through charitable activities and support the disadvantaged members of society.

On the 31st March 2009 the status of the England/Ireland Province was changed to that of a Region. The Regional house is situated at 41 Murray Road which also serves as the Wimbledon community house.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### Achievements and performance

#### Charitable activities

The Daughters of the Heart of Mary Charitable Trust (DHM) continues to serve the needs of many through charitable activities and to support the disadvantaged members of society. Activities in the educational, social and pastoral fields reach out to such people through social work, assistance to the disabled, home visiting, catechesis, prayer groups and in the past, visits to prisons and a daily presence at court, work with unmarried mothers and staffing of a project with Westminster Council for young girls arriving at Victoria Station.

A Sister Tutor wrote a book which was used for training nurses and translated into six languages, an Orphanage was established and two Hostels were administered and a Hospital Visiting Society was established. We also administered two Convalescent Homes.

one member saw the need for a Parish Church and from that small beginning three other parishes have been established. Two of our members make sandwiches twice monthly and they are delivered to the Parish to be taken to those who are sleeping rough on the streets of London.

As Daughters of the Heart of Mary we are particularly conscious of women and make every opportunity to favour their particular concerns. Daughters of the Heart of Mary in England and Ireland are involved in various activities according to the need and place of their work.

The North West of England suffered badly during the pandemic lockdown and subsequent introduction of tier system. Kirkby and Blackpool were at level 4 throughout.

As we had some warning as to what was likely to happen, we were aware that the house would have to stop vulnerable groups from meetings. Since all the Churches were closed for public worship, many were at loss. We tried to prepare elderly and vulnerable parishioners by providing examples of Spiritual Communion and prayer. As our preparation, we were letting those with internet access be aware of online Church services and helped them to get connected. When the lockdown came into effect, we had moved to virtual house meeting via Skype, and discussed the need to focus on what could be done rather than what we could not do.

During the lockdown one DHM Sister was furloughed and one was classed as very vulnerable. The house visiting had to be stopped, but we made efforts to visit people and chat through windows or in gardens with masks on. One DHM sister in Blackpool was appointed by the local Council to work for the Red Cross by acting as taxi to take people needing to go to hospital appointments. In Liverpool the sister on furlough was in process of volunteering at the vaccination centres, until she was recalled to help in the chaplaincy.

In both towns we helped to provide and deliver food parcels which became in need, elderly people unable to meet families or friends need to hear a friendly voice by phone or to see a person in their garden even became a lifeline. Some help providing catechises for younger children was asked for in Blackpool, this was done virtually, (via Zoom) along with helping families in financial stress. Help was given in Liverpool with money for the breakfast-club for families who lost their jobs in the early days of Covid.

Also, an attempt was made to encourage the churches to make efforts toward reducing carbon emissions by 2030 as requested following Laudato Si. A number of Zoom meetings took place regarding this. In Blackpool during lockdown many Homeless and refugees were housed in hotels which couldn't open to the general public. When the Lockdown was lifted, despite the government request that there be a grace period in Blackpool, a holiday area, suddenly these people were put back as rough sleepers. It was necessary to try and arrange food parcels and help claimants through the system. Some immigrants were sadly forcibly moved to cities for deportation. We helped obtain clothes and food. Families found it difficult because shops were not accepting the vouchers. Again, food parcels were arranged and financial aid given. Because Covid testing in some areas was difficult and children were told they couldn't go back to school without clear Covid test transport to test centres had to be arranged in Covid secure ways. It is expected that as we move forward the Church will allow our houses to open again for groups in a Covid secure way.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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In Wimbledon, through various Charitable organisations in London as well as in the world, we reached out to people in need of oxygen cylinders, PPE, medical intervention, food, and other financial needs. Telephone contacts were regularly done with people in need.

One DHM sister continued her work with immigrants and victims of trafficking through online and personal accompaniment.

No groups were received due to the pandemic restrictions. We are hoping to begin again in the near future when the new academic year begins.

### **Financial aid given to projects of the Society**

During the year the charity gave £52,783 (2019: £19,700) to various charitable projects whose aims are commensurate with the charity's aims and objectives.

### **Investment performance**

2020 was a year dominated by the impact of the Covid-19 pandemic on health, everyday lives and the global economy. From a business perspective the effects were far-reaching but some sectors such as Travel and Leisure were particularly damaged by the suspension of economic activity and the impositions of lockdowns and other restrictions as the virus spread across the world. Governments and central banks responded to the crisis by launching a broad spread of support programmes backed up by a liquidity surge which dwarfed the response to the Financial Crisis over a decade ago in terms of scale. This has important implications for the future given the debts that have been accumulated and the next challenge will be how to bring these policies to a close, but for now the focus has been on stabilisation and recovery. Equity markets rallied over the summer and were further boosted towards the end of the year by positive news on the vaccine front. However, the FTSE 100 still finished in double-digit negative territory and lagged international peers with some markets, most notably the tech-heavy US, touching new highs.

The market value of the investments stood at £5,824,668 as at the 31st December 2020. Income generated during the year came to £185,112 which equates to a yield of 3.2%. The total return (including income) from the portfolio during the year was -3.4%, which compares with figures of 1.9% and 2.0% for the MSCI PIMFA Income and MSCI PIMFA Balanced Indices respectively. The breakdown of the portfolio (21% Fixed Interest, 27% UK Equities, 18% Overseas Equities, 32% Alternative Assets, 2% Cash) is deemed appropriate in view of the investment objectives. The fall in income year-on-year reflects the sharp decline in dividend payments by companies in response to the crisis. Markets have advanced in 2021 and at the time of writing the value of the portfolio has got back to above closing 2019 levels.

### **Financial review**

The Statement of Financial Activities on page 7 shows a net outgoing movement in funds of £457,469 (2019 net incoming movement: £459,614). Also, a net loss on investment assets of £351,995 (2019 net gain: £557,796), and without these overall net gains, the charity had net outgoing resources of £105,474 (2019: £98,182).

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately a year's expenditure. In the event of a significant drop in the income, the free reserves are like a standby or working capital to help the charity to continue its activities. However, this lower during the 2020 year given the uncertainty around Covid, but the charity aim to get the funds back to a level that is in line with policy stated above.

### **Investment policy**

The charity has an Investment Policy which was approved by the Trustees on 31st August 2018. Reflecting on our role as Trustees, we believe that this policy must reflect the social and Gospel values of the Catholic Church, both in the way we invest our money and in the way that it is used to enhance the quality of life for all people, spiritually and in their daily lives.

In view of this, no investment should be held in any company failing to evidence significant positive criteria set out within this policy.

The Trustees will work closely with their nominated investment fund manager who will monitor the portfolio in respect of the ethical guidelines, notify the Trustees of any significant developments and provide a full update at the annual meetings.

### **FUTURE PLANS**

The future plans for the Charity involve carrying on the good work they are doing in the communities that they currently serve.

### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are aware of the risks the charity may face and have established procedures to mitigate known risks where possible. Covid-19 has already had an impact on operations and investments. However, the trustees are confident that the charity will continue to undertake its operations and fulfil all its financial liabilities and charity obligations.

It was noted that adequate insurance must be ensured for our property and taken consistently on a yearly basis. Our Investments are managed by Charles Stanley FCA registered investment fund so as to achieve the best financial outcome.

The Trustees continue to work to ensure compliance with GDPR which came into effect in May 2018.

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **Structure, governance and management**

The name of the charity is Daughters of the Heart of Mary Charitable Trust. The charity was established by a charitable trust deed on 13 September 1988 and is registered with the Charity Commission under reference number 800119. The address of the principal office of the charity is 41 Murray Road, Wimbledon, London SW19 4PD.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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The trustees who served during the year and up to the date of signature of the financial statements were:

Miss A Coughlan

Miss E McHale

Miss G Eastwood

Miss M Brogan

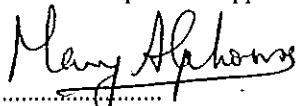
Miss M Brennan

Miss M Alphonse

(Appointed 26 August 2020)

The power to appoint new trustees rests with the Provincial Superior.

The trustees' report was approved by the Board of Trustees.



.....  
Miss M Alphonse

Provincial Superior

Dated: ...26/10/2021

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

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I report to the trustees on my examination of the financial statements of Daughters of The Heart of Mary Charitable Trust (the charity) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

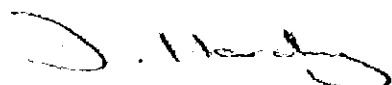
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



**Darren Harding ACA FCCA DChA**  
Richard Place Dobson Services Limited  
1-7 Station Road  
Crawley  
West Sussex  
RH10 1HT

Dated: 28 October 2021

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	2,150	-	600	2,750	2,911
Religious services provision	4	23,750	-	-	23,750	12,030
Investments	5	185,459	-	-	185,459	215,853
Other income	6	5,832	-	-	5,832	1,616
<b>Total income</b>		<b>217,191</b>	<b>-</b>	<b>600</b>	<b>217,791</b>	<b>232,410</b>
<b><u>Expenditure on:</u></b>						
Raising funds	7	51,062	-	-	51,062	54,801
Charitable activities	8	166,918	105,285	-	272,203	275,791
<b>Total resources expended</b>		<b>217,980</b>	<b>105,285</b>	<b>-</b>	<b>323,265</b>	<b>330,592</b>
Net gains/(losses) on investments	12	(351,995)	-	-	(351,995)	557,796
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(352,784)</b>	<b>(105,285)</b>	<b>600</b>	<b>(457,469)</b>	<b>459,614</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(352,784)</b>	<b>(105,285)</b>	<b>600</b>	<b>(457,469)</b>	<b>459,614</b>
Gross transfers between funds		239,938	(239,938)	-	-	-
<b>Net movement in funds</b>		<b>(112,846)</b>	<b>(345,223)</b>	<b>600</b>	<b>(457,469)</b>	<b>459,614</b>
Fund balances at 1 January 2020		190,772	10,223,902	7,438	10,422,112	9,962,498
<b>Fund balances at 31 December 2020</b>		<b>77,926</b>	<b>9,878,679</b>	<b>8,038</b>	<b>9,964,643</b>	<b>10,422,112</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	2,311	-	600	2,911
Religious services provision	4	12,030	-	-	12,030
Investments	5	215,853	-	-	215,853
Other income	6	1,616	-	-	1,616
<b>Total income</b>		<b>231,810</b>	<b>-</b>	<b>600</b>	<b>232,410</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	54,801	-	-	54,801
Charitable activities	8	162,405	113,386	-	275,791
<b>Total resources expended</b>		<b>217,206</b>	<b>113,386</b>	<b>-</b>	<b>330,592</b>
Net gains/(losses) on investments	12	557,796	-	-	557,796
<b>Net (outgoing)/incoming resources before transfers</b>		<b>572,400</b>	<b>(113,386)</b>	<b>600</b>	<b>459,614</b>
Gross transfers between funds		(515,205)	516,401	(1,196)	-
<b>Net movement in funds</b>		<b>57,195</b>	<b>403,015</b>	<b>(596)</b>	<b>459,614</b>
Fund balances at 1 January 2019		133,577	9,820,887	8,034	9,962,498
<b>Fund balances at 31 December 2019</b>		<b>190,772</b>	<b>10,223,902</b>	<b>7,438</b>	<b>10,422,112</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

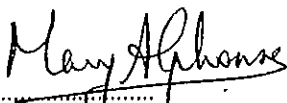
# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		3,477,830		3,524,592
Investments	14		5,665,838		6,086,310
			9,143,668		9,610,902
<b>Current assets</b>					
Debtors	16	8,777		3,881	
Cash at bank and in hand		830,751		828,934	
			839,528		832,815
<b>Creditors: amounts falling due within one year</b>	17	(18,553)		(21,605)	
Net current assets			820,975		811,210
<b>Total assets less current liabilities</b>			9,964,643		10,422,112
<b>Income funds</b>					
Restricted funds	18		8,038		7,438
<u>Unrestricted funds</u>					
Designated funds	19	9,878,679		10,223,902	
General unrestricted funds		77,926		190,772	
			9,956,605		10,414,674
			9,964,643		10,422,112

The financial statements were approved by the Trustees on <sup>2<sup>nd</sup></sup> Sept 2021

  
 .....  
 Miss M Alphonse  
 Trustee

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. 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 measured with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Investment income which includes dividends received, other listed investment income and interest receivable is included in the statement of financial activities in the year in which it is receivable.

Charitable activities income includes members' board income and royalties and is included in the statement of financial activities in the year to which it relates.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds includes investment manager fees.

Charitable activities relate to the cost of serving the community and supporting trustee approved projects.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold Property	2% on cost
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

#### 1.9 Taxation

As a charity, the Trust is not subject to corporation tax or any other taxes on income and gains arising from its charitable objectives.

#### 1.10 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	2,150	600	2,750	436	600	1,036
Legacies receivable	-	-	-	1,875	-	1,875
	<u>2,150</u>	<u>600</u>	<u>2,750</u>	<u>2,311</u>	<u>600</u>	<u>2,911</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Religious services provision

	2020	2019
	£	£
Religious services provision	23,750	12,030

### 5 Investments

	general 2020	general 2019
	£	£
Investment Income	185,065	214,962
Deposit account interest	394	891
	<u>185,459</u>	<u>215,853</u>

### 6 Other income

	general 2020	general 2019
	£	£
Royalties	95	92
Other income	250	1,524
HMRC Furlough Grant	5,487	-
	<u>5,832</u>	<u>1,616</u>

### 7 Raising funds

	general 2020	general 2019
	£	£
<u>Investment management</u>	51,062	54,801
	<u>51,062</u>	<u>54,801</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Charitable activities

	Direct charitable expenditure 2020 £	Direct charitable expenditure 2019 £
Staff costs	38,670	34,001
Depreciation and impairment	48,866	48,713
Religious Services Provision	113,053	104,423
Payments to mission	50,043	15,655
Maintenance	9,109	51,598
	<u>259,741</u>	<u>254,390</u>
Share of governance costs (see note 9)	12,462	21,401
	<u>272,203</u>	<u>275,791</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	166,918	162,405
Unrestricted funds - designated	105,285	113,386
	<u>272,203</u>	<u>275,791</u>

### 9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Accountancy	-	9,907	9,907	-	14,132	14,132
Legal and professional	-	2,430	2,430	-	6,887	6,887
Bank Charges	-	125	125	-	382	382
	<u>-</u>	<u>12,462</u>	<u>12,462</u>	<u>-</u>	<u>21,401</u>	<u>21,401</u>
Analysed between Charitable activities	<u>-</u>	<u>12,462</u>	<u>12,462</u>	<u>-</u>	<u>21,401</u>	<u>21,401</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

The trustees are also members of the congregation. Some members are maintained by the charity and the cost of the premises, meals and other living expenses in respect of such members is paid either to them or on their behalf by the charity.

### 11 Employees

Employment costs	2020 £	2019 £
Wages and salaries	36,127	31,955
Other pension costs	2,543	2,046
	<u>38,670</u>	<u>34,001</u>

### 12 Net gains/(losses) on investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Revaluation of investments	<u>(351,995)</u>	<u>557,796</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Tangible fixed assets

	Freehold Property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020	3,839,975	137,439	13,893	3,991,307
Additions	-	2,104	-	2,104
At 31 December 2020	3,839,975	139,543	13,893	3,993,411
<b>Depreciation and impairment</b>				
At 1 January 2020	324,507	131,313	10,895	466,715
Depreciation charged in the year	46,133	1,234	1,499	48,866
At 31 December 2020	370,640	132,547	12,394	515,581
<b>Carrying amount</b>				
At 31 December 2020	3,469,335	6,996	1,499	3,477,830
At 31 December 2019	3,515,468	6,126	2,998	3,524,592

### 14 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	6,086,310
Additions	361,306
Valuation changes	(343,329)
Disposals	(438,448)
At 31 December 2020	5,665,839
<b>Carrying amount</b>	
At 31 December 2020	5,665,839
At 31 December 2019	6,086,310

Historical cost of the fixed asset investment as at 2020 was £4,393,846 (2019: £4,280,535).

There were no investments with a value of 5% or more of the market value held at the year end.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>15</b>	<b>Financial instruments</b>	<b>2020</b>	<b>2019</b>
		£	£
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	5,665,838	6,086,310
		<u>          </u>	<u>          </u>
<b>16</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Other debtors	2,991	3,044
	Prepayments and accrued income	5,786	837
		<u>          </u>	<u>          </u>
		<u>8,777</u>	<u>3,881</u>
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		£	£
	Other creditors	18,553	21,605
		<u>          </u>	<u>          </u>

### 18 Restricted funds

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

	Movement in funds			Movement in funds		
	Balance at 1 January 2019	Incoming resources	Transfers	Balance at 1 January 2020	Incoming resources	Balance at 31 December 2020
	£	£	£	£	£	£
Mission fund	8,034	600	(1,196)	7,438	600	8,038
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The income to the Missions restricted fund is received in the form of donations from sources outside the charity for the purpose of donating money to mission work.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Resources expended	Transfers	Investments gains/losses	Balance at 31 December 2019
	£	£	£	£	£
Maintenance fund	5,400,000	-	(67,253)	653,563	5,986,310
Property fund	3,561,601	(46,133)	-	-	3,515,468
Provincial Fund	749,272	-	(187,365)	-	561,907
Communities fund	10,014	-	203	-	10,217
Special Projects Fund	50,000	(15,655)	65,655	-	100,000
Property Maintenance Fund	50,000	(51,598)	51,598	-	50,000
	<u>9,820,887</u>	<u>(113,386)</u>	<u>(137,162)</u>	<u>653,563</u>	<u>10,223,902</u>

	Balance at 1 January 2020	Resources expended	Transfers	Investments gains/losses	Balance at 31 December 2020
	£	£	£	£	£
Maintenance fund	5,986,310	46,133	(274,339)	-	5,665,838
Property fund	3,515,468	-	-	-	3,515,468
Provincial Fund	561,907	-	(31,591)	-	530,316
Communities fund	10,217	-	6,840	-	17,057
Special Projects Fund	100,000	50,043	50,043	-	100,000
Property Maintenance Fund	50,000	9,109	9,109	-	50,000
	<u>10,223,902</u>	<u>105,285</u>	<u>(239,938)</u>	<u>-</u>	<u>9,878,679</u>

The Maintenance fund is held to provide for the maintenance of members as they grow older and invested to maximise the return on the charity's assets. Included within the maintenance fund is unrealised gains on investments of £1,271,993 (2019 - £1,805,755).

The Property fund represents the funds necessarily set aside for the charity's occupation of the land and buildings. The movement in the year represents the depreciation charge.

The Provincial fund is set aside by the trustees for the financial needs of the Provincial.

The Community fund is set aside for the needs of the individual houses.

The Special Projects funds represents monies set aside for assistance that the Trustees intend to make to projects.

The Property Maintenance fund is set aside for the repair and maintenance of the Charities Properties.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	-	3,477,830	-	3,477,830
Investments	-	5,665,838	-	5,665,838
Current assets/(liabilities)	77,926	735,011	8,038	820,975
	<u>77,926</u>	<u>9,878,679</u>	<u>8,038</u>	<u>9,964,643</u>

	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible assets	-	3,524,592	-	3,524,592
Investments	-	6,086,310	-	6,086,310
Current assets/(liabilities)	190,772	613,000	7,438	811,210
	<u>190,772</u>	<u>10,223,902</u>	<u>7,438</u>	<u>10,422,112</u>

### 21 Covid-19

As direct consequences of the Coronavirus (COVID-19) pandemic, and in accordance with the UK government guidelines, the Daughters of the Heart of Mary ceased all activity that included face to face meetings and large groups of people on 21 March 2020 for an indeterminate period, however, they were still able to provide support as a listening presence in the community.

The trustees are aware of the risks the charity may face and have established procedures to mitigate known risks where possible. Covid-19 has already had an impact on operations and investments. However, the trustees are confident that the charity will continue to undertake its operations and fulfil all its financial liabilities and charity obligations. No adjustments have been to any figures in the accounts as a result of the pandemic.

### 22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).