

Charity registration number 800119

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Miss E McHale Miss G Eastwood Miss M Brogan Miss M Brennan Miss M Alphonse Miss A Boland Miss G Beg	(Appointed 8 December 2022)
Charity number	800119	
Principal address	41 Murray Road Wimbledon London SW19 4PD	
Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT	
Bankers	National Westminster Bank plc 98 High Street Wimbledon London SW19 5ZH	
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD	
Investment advisors	Charles Stanley & Company Limited 55 Bishopsgate London EC2N 3AS	

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 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

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 2022

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 2022

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 Support given

Financial support had been sent to the following organisations:

1. Mercy Ships for eye surgeries of children in Africa - £5,000
2. CAFOD (Emergency Appeal for Afghanistan refugees) - £20,000
3. CAFOD in support of climate change - £10,000
4. Mission Direct (Helping Children with epilepsy in Sierra Leone) - £5,000
5. Aid to the Churches in Need (houses for women and children in Nigeria) - £10,000
6. Médecins sans Frontières - £10,000
7. Catholic Marriage Care, Northampton - £5,000
8. World Villages for Children UK (for children in Mexico) - £3,000
9. Refugee Action Manchester - £5,000
10. Action Aid UK - £25,000

Sending support to Haiti was not done for the following reasons:

- Several emails were sent to the Provincial of Canada asking for a project. Due to political unrest in Haiti, we were advised to wait. However, A representative of Haiti expressed they need funds and they promised to write a project in the near future, in consultation with the Provincial.
- Other small gifts were distributed to organisations: UNHCR for a Syrian Family support £75.00, St Mungo's pandemic support £500, Lifeboats £500 for the support of one Life Saver, Shelter Box £590 for one family affected by cyclone in Philippines, sick and retires clergy of Southwark Diocese £1,000, JRS £1,000, ACN UK £1,000 for Christmas Aid to Churches, and Macmillan Cancer Support £1,000. These small donations were acknowledged and thanked for from these organisations.
- We received reports and thanks for the larger donations from Marriage Care, Doctors of the World, ACN for the support of Nigerian Church, Action Aid (for the intervention in India affected by Corona Delta virus), Refugee Action Manchester, CAFOD for the support of Afghanistan and Climate Change and World Villages of Children. The organisations Mission Direct and Mercy Ships have sent their appeals once again, but have not sent us any particular reports for the amounts received.
- Million Minutes has sent a global report of their activities in 2020-2021 and also a proposal to fund the salary of a Catholic Social Teaching officer.

Investment performance

2022 was the year that central banks belatedly took action to curb surging inflationary pressures. The Ukrainian conflict caused a further spike in energy and food prices at a time when supply-side constraints, rising commodity prices and labour shortages were already pushing the cost of living higher. The result was a period of rapid interest rate increases which necessitated a big adjustment for markets following a decade of low or even negative rates and loose monetary policy. This in turn had a knock-on effect on asset prices and it was a year when virtually all asset classes fell. Long-dated bonds and growth equities experienced the sharpest declines but there were better returns from previously out of favour sectors such as resources and financials which explains the relative out-performance by the UK market. Towards the end of the year concerns grew about the prospects for a recession given the higher cost of finance, but for investors there was the consolation of being able to generate an income at last from cash on deposit and short-dated bonds.

The market value of the investments stood at £5,810,758 (including bank and cash) as at the 31st December 2022. Income generated during the year came to £201,690 which equates to a yield of 3.2%. The total return (including income) from the portfolio during the year was -5.5%, which compares with figures of -8.5% and -8.1% for the MSCI PIMFA Income and MSCI PIMFA Balanced Indices respectively. The breakdown of the portfolio (20% Fixed Interest, 24% UK Equities, 17% Overseas Equities, 5% Cash, 34% Alternative Assets) is deemed appropriate in view of the investment objectives and the level of income is satisfactory.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The Statement of Financial Activities on page 11 shows a net outgoing movement of funds of £723,568 (2021 net incoming movement: £411,168). Also, a net loss on investment assets of £490,459 (2021 net gain: £594,610), and without these overall net gains, the charity had net outgoing resources of £233,109 (2021: £183,442).

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 was lower during the 2022 year given the uncertainty following the pandemic, but the charity aim to get the funds back to a level that is in line with policy stated above.

Investment policy

The charity divested from fossil fuels from 6 September 2021 onwards and accordingly they have revised their Investment Policy, thanks to the investment manager and Charles Stanley.

The charity has an Investment Policy which was approved by the Trustees on 25th August 2022. 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.

Audits and Independent examinations

The independently examined accounts and the report of activities for the year 2021 were successfully submitted to the Charity Commission on 31 October 2022, thanks to the team at Richard Place Dobson.

DHM Trust accounts submission to Egaraset from 2021 onwards

On 4 July 2022, a zoom meeting was held among the following members with regard to entry of Trust accounts in the Egaraset accounting system of Paris. General House team, Egaraset team and some members of the Trust. It was decided that from the accounting year 2021, the Ronan of Ireland will submit the Annual Accounts in full details to the Provincial who will then forward them to the General Bursar in park. Another decision was that both the Auditors will use the format given by the Trustee to submit the Annual Accounts to Egaraset.

Obtaining Irish Visa

In September 2021, with the verbal agreement of the trustees, Miss M Alphonse received £20,000 into her float account in HSBC, from the Province Accounts for the purpose of obtaining one year Irish visa for her travel needs to Dublin. It was a requirement to show adequate funds in her Float account of the bank which then was submitted for the visa purpose.

Activities of the Common Houses in Wimbledon and Kirkby

- The heating system of the Community House in Kirkby was refurbished.
- Several small repair works were undertaken for the Community House at Wimbledon. This seems to be on increase as the house is getting older.
- Severe Covid restrictions continued this year too which affected the charitable activities. However, activities such as Retreat Guidance, telephonic counselling, urgent services to the needy elderly, handicapped, house-bound, and immigrants were undertaken for the year 2022 in Kirkby, Blackpool and in London. Spiritual support was given over the phone by some members to the housebound.
- Towards the end of the year, in October, the Province was happy to receive the visit of the General Superior and her Council to London and Kirkby. Their presence and encouragement was very much appreciated by everyone.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 August 2022.

GDPR Policy

The GDPR Policy has been drafted this year. Miss M Brennan, a trustee reworked the GDPR policy and prepared draft Privacy Policy according to the requirements of Charitable Trust needs in Ireland. This was then referred to an expert for the Jesuit congregation in the UK. Based on recommendations a draft has been prepared for the DHM Charitable Trust in the UK. It needs to be approved by the Trustees.

Registration of Safeguarding Services in UK

The 10 DHM sisters of England have been registered with Religious Life Safeguarding Services (RLSS) and with Catholic Safeguarding Services Agency (CSSA) for England and Wales for the year 2022 by paying £200 for each one. Henceforth, the DHM sisters their Reunions will be governed by the safeguarding policies of these organisations. This will be published in the website of the Province.

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)

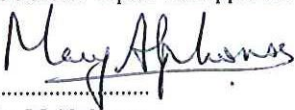
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Miss A Coughlan (Resigned 1 January 2022)
Miss E McHale
Miss G Eastwood
Miss M Brogan
Miss M Brennan
Miss M Alphonse
Miss A Boland
Miss G Beg (Appointed 8 December 2022)

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

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


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Miss M Alphonse
Provincial Superior
Dated: *19th Oct. 2020.*

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are responsible for preparing the Trustees' Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the 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.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Daughters of The Heart of Mary Charitable Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, General Data Protection Regulations, Charities Act 2011, Charities Statement of Recommended Practice and employment law and regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

1. Revenue recognition - this was tested substantively for rental and lease income, we performed proof in total testing over grant income
2. Management override of controls - we reviewed management accounts and large journals to discover any evidence of management override

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 UK and Republic of Ireland (FRS 102)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Richard Place Dobson Services Ltd

Richard Place Dobson Services Limited

26/10/2023
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Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>						
Donations and legacies	3	54,712	-	-	54,712	468
Religious services provision	4	11,850	-	-	11,850	13,507
Investments	5	205,909	-	-	205,909	183,746
Other income	6	103	-	-	103	46
Total income		272,574	-	-	272,574	197,767
<u>Expenditure on:</u>						
Raising funds	7	54,812	-	-	54,812	55,038
Charitable activities	8	254,807	196,064	-	450,871	326,171
Total expenditure		309,619	196,064	-	505,683	381,209
Net gains/(losses) on investments	12	(490,459)	-	-	(490,459)	594,610
Net (outgoing)/incoming resources before transfers		(527,504)	(196,064)	-	(723,568)	411,168
Gross transfers between funds		518,071	(518,071)	-	-	-
Net movement in funds		(9,433)	(714,135)	-	(723,568)	411,168
Fund balances at 1 January 2022		94,465	10,273,008	8,338	10,375,811	9,964,643
Fund balances at 31 December 2022		85,032	9,558,873	8,338	9,652,243	10,375,811

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 2022

Prior financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:					
Donations and legacies	3	168	-	300	468
Religious services provision	4	13,507	-	-	13,507
Investments	5	183,746	-	-	183,746
Other income	6	46	-	-	46
Total income		<u>197,467</u>	<u>-</u>	<u>300</u>	<u>197,767</u>
Expenditure on:					
Raising funds	7	<u>55,038</u>	<u>-</u>	<u>-</u>	<u>55,038</u>
Charitable activities	8	<u>166,390</u>	<u>159,781</u>	<u>-</u>	<u>326,171</u>
Total expenditure		<u>221,428</u>	<u>159,781</u>	<u>-</u>	<u>381,209</u>
Net gains/(losses) on investments	12	<u>594,610</u>	<u>-</u>	<u>-</u>	<u>594,610</u>
Net (outgoing)/incoming resources before transfers		<u>570,649</u>	<u>(159,781)</u>	<u>300</u>	<u>411,168</u>
Gross transfers between funds		<u>(554,110)</u>	<u>554,110</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>16,539</u>	<u>394,329</u>	<u>300</u>	<u>411,168</u>
Fund balances at 1 January 2021		<u>77,926</u>	<u>9,878,679</u>	<u>8,038</u>	<u>9,964,643</u>
Fund balances at 31 December 2021		<u><u>94,465</u></u>	<u><u>10,273,008</u></u>	<u><u>8,338</u></u>	<u><u>10,375,811</u></u>


DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	14		3,386,813		3,429,149
Investments	15		5,547,660		6,156,775
			<u>8,934,473</u>		<u>9,585,924</u>
Current assets					
Debtors	16	9,319		6,886	
Cash at bank and in hand		732,161		801,588	
		<u>741,480</u>		<u>808,474</u>	
Creditors: amounts falling due within one year	17	(23,710)		(18,587)	
Net current assets			<u>717,770</u>		<u>789,887</u>
Total assets less current liabilities			<u>9,652,243</u>		<u>10,375,811</u>
Income funds					
Restricted funds	18		8,338		8,338
<u>Unrestricted funds</u>					
Designated funds	19	9,558,873		10,273,008	
General unrestricted funds		85,032		94,465	
		<u>9,643,905</u>		<u>10,367,473</u>	
			<u>9,652,243</u>		<u>10,375,811</u>

The financial statements were approved by the Trustees on ...19/10/2023



 Miss M Alphonse
 Trustee

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Daughters of The Heart of Mary Charitable Trust is a charity that promotes charitable work for the time being carried on.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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 2022

1 Accounting policies (Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 the statement of financial activities.

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.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	2,180	168	300	468
Legacies receivable	52,532	-	-	-
	<u>54,712</u>	<u>168</u>	<u>300</u>	<u>468</u>

4 Religious services provision

	2022 £	2021 £
Religious services provision	<u>11,850</u>	<u>13,507</u>

5 Investments

	general 2022 £	general 2021 £
Investment Income	205,091	183,746
Deposit account interest	818	-
	<u>205,909</u>	<u>183,746</u>

6 Other income

	general 2022 £	general 2021 £
Royalties	<u>103</u>	<u>46</u>

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Raising funds

	general 2022 £	general 2021 £
<u>Investment management</u>	54,812	55,038
	<u>54,812</u>	<u>55,038</u>

8 Charitable activities

	Direct charitable expenditure 2022 £	Direct charitable expenditure 2021 £
Staff costs	40,993	34,319
Depreciation and impairment	47,854	48,681
Religious Services Provision	96,001	94,421
Payments to mission	179,873	126,000
Maintenance	59,324	13,648
	<u>424,045</u>	<u>317,069</u>
Share of governance costs (see note 9)	26,826	9,102
	<u>450,871</u>	<u>326,171</u>
Analysis by fund		
Unrestricted funds - general	254,807	166,390
Unrestricted funds - designated	196,064	159,781
	<u>450,871</u>	<u>326,171</u>

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Accountancy and audit/independent examination	-	17,520	17,520	8,640
Legal and professional	-	9,007	9,007	210
Bank Charges	-	299	299	252
	<u>-</u>	<u>26,826</u>	<u>26,826</u>	<u>9,102</u>
Analysed between				
Charitable activities	-	26,826	26,826	9,102
	<u>-</u>	<u>26,826</u>	<u>26,826</u>	<u>9,102</u>

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	2022	2021
	£	£
Wages and salaries	38,340	31,698
Other pension costs	2,653	2,621
	<u>40,993</u>	<u>34,319</u>

12 Net gains/(losses) on investments

	Unrestricted funds general 2022	Unrestricted funds general 2021
	£	£
Revaluation of investments	(490,459)	594,610
	<u>(490,459)</u>	<u>594,610</u>

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Tangible fixed assets

	Freehold Property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2022	3,839,975	139,543	13,893	3,993,411
Additions	-	5,518	-	5,518
At 31 December 2022	<u>3,839,975</u>	<u>145,061</u>	<u>13,893</u>	<u>3,998,929</u>
Depreciation and impairment				
At 1 January 2022	416,773	133,596	13,893	564,262
Depreciation charged in the year	46,133	1,721	-	47,854
At 31 December 2022	<u>462,906</u>	<u>135,317</u>	<u>13,893</u>	<u>612,116</u>
Carrying amount				
At 31 December 2022	<u>3,377,069</u>	<u>9,744</u>	<u>-</u>	<u>3,386,813</u>
At 31 December 2021	<u>3,423,202</u>	<u>5,947</u>	<u>-</u>	<u>3,429,149</u>

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	6,156,775
Additions	180,219
Valuation changes	(489,506)
Disposals	(299,828)
At 31 December 2022	<u>5,547,660</u>
Carrying amount	
At 31 December 2022	<u>5,547,660</u>
At 31 December 2021	<u>6,156,775</u>

Historical cost:

2022: £4,318,301
2021: £4,377,219

There were no investments held at the year end which were valued over 5% of the total portfolio market value.

Revaluation reserves of £1,229,359 (2021: £1,779,543) are included within the designated funds.

DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments (Continued)

16 Debtors		2022	2021
		£	£
	Amounts falling due within one year:		
	Other debtors	2,556	1,100
	Prepayments and accrued income	6,763	5,786
		<u>9,319</u>	<u>6,886</u>

17 Creditors: amounts falling due within one year		2022	2021
		£	£
	Other creditors	23,710	18,587
		<u>23,710</u>	<u>18,587</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 31 December 2022
	Balance at 1 January 2021	Incoming resources	Balance at 1 January 2022	Incoming resources	
	£	£	£	£	£
Mission fund	8,038	300	8,338	-	8,338
	<u>8,038</u>	<u>300</u>	<u>8,338</u>	<u>-</u>	<u>8,338</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 2022

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 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£
Maintenance fund	5,665,838	-	490,937	6,156,775
Property fund	3,515,468	(46,133)	(46,133)	3,423,202
Provincial Fund	530,316	-	(8,889)	521,427
Communities fund	17,057	-	(15,453)	1,604
Special Projects Fund	100,000	(100,000)	120,000	120,000
Property Maintenance Fund	50,000	(13,648)	13,648	50,000
	<u>9,878,679</u>	<u>(159,781)</u>	<u>554,110</u>	<u>10,273,008</u>

	Balance at 1 January 2022	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£
Maintenance fund	6,156,775	-	(609,115)	5,547,660
Property fund	3,423,202	(46,133)	-	3,377,069
Provincial Fund	521,427	-	(73,206)	448,221
Communities fund	1,604	-	14,319	15,923
Special Projects Fund	120,000	(90,607)	90,607	120,000
Property Maintenance Fund	50,000	(59,324)	59,324	50,000
	<u>10,273,008</u>	<u>(196,064)</u>	<u>(518,071)</u>	<u>9,558,873</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 £1,229,359 (2021 - £1,779,543).

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 2022

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	9,744	3,377,069	-	3,386,813
Investments	-	5,547,660	-	5,547,660
Current assets/(liabilities)	75,288	634,144	8,338	717,770
	<u>85,032</u>	<u>9,558,873</u>	<u>8,338</u>	<u>9,652,243</u>

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	5,947	3,423,202	-	3,429,149
Investments	-	6,156,775	-	6,156,775
Current assets/(liabilities)	88,518	693,031	8,338	789,887
	<u>94,465</u>	<u>10,273,008</u>	<u>8,338</u>	<u>10,375,811</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).