

Charity registration number 800119

**DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Miss E McHale Miss G Eastwood Miss M Brogan Miss M Brennan Miss M Alphonse Miss A Boland Miss G Beg
<b>Charity number</b>	800119
<b>Principal address</b>	41 Murray Road Wimbledon London SW19 4PD
<b>Independent examiner</b>	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT
<b>Bankers</b>	National Westminster Bank plc 98 High Street Wimbledon London SW19 5ZH
<b>Solicitors</b>	Pothecary 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 2023*

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The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 2023*

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### **Achievements and performance**

#### **Charitable activities**

The year 2023 was marked by the General Chapter of the Congregation. The mission orientations galvanise the Sisters to prioritise their options to reaching out to the needy, most vulnerable and distressed. Accordingly, the focus of the Trust got strengthened further to reach out to the marginalised groups with certain priorities, such as homeless people, welfare of the families and children, support in building religious harmony, support to youth, peace building, collaboration with the other like-minded organisations for sustainable development in countries like Africa and Bangladesh, like food security, water access, and access to health services and rebuilding of life in war affected country Ukraine. Awareness of the Climate change disasters, adoption of a simple lifestyle, protection and conservation of bio-environment have also become part of the agenda in their list of options.

In particular,

- The sisters at Kirkby continue to work closely with their Parish with regard to family support, reaching out to the sick and the housebound, spiritual and material care of the patients in the hospitals, eco-friendly lifestyle and finding necessary help for the homeless and other needy immigrants living in their areas.
- The sisters at Wimbledon continue to reaching out to the vulnerable women rescued from trafficking, getting themselves involved in spiritual and moral education in collaboration with Jesuit Spirituality Centres in London and Glasgow, Jesuit Refugee Service Centre and Marist Refugee Centre in London , caring for parents with children in difficult situations in the neighbouring areas of St Alban, and supporting local Parish in its charitable activities.

We sincerely thank God for all the blessings upon us and on all our Trust activities for the poor and the marginalised. We also ask His grace to help us with His courage and strength, to continue to serve the poor and the needy.

#### **Financial Support given**

- On the 8<sup>th</sup> February, **£10,000** was given to **Embrace the Middle East** in support of earthquake victims in Syria and Turkey. The decision was taken online through email circulation.

- On the 13<sup>th</sup> of July, following organisations were given donations:

**Jesuit Refugee Services UK - £20,000** - To establish a Shelter for the Refugees in Brixton. This decision was made through the circular email sent to Trustees after the Trust Meeting on 29<sup>th</sup> June, as the request came a few days after the meeting. Now the shelter has been inaugurated, and it can house at least 10 refugees.

**Aid to the Churches in Need - £5,000** - To extend help to churches in Syria and Lebanon, which are in the process of rebuilding.

**UNHCR UK - £5,000** – To build shelters for the homeless in Ukraine, who are affected by the continuing war situation.

**SPICMA - £10,000** – For the food security of school children in Africa, especially in Kenya and Ethiopia.

**Archbishop of Southwark diocese - £2,000** – in support of the diocese's effort to shelter a homeless family in one of the parishes of the diocese.

**Marriage Care - £1,000** – in support of Marriage Counselling services rendered in Parishes in London. Currently a room in the premises of the Wimbledon house is also given for the use of couple counselling sessions.

**Sacred Heart Parish, Wimbledon, £3000** – towards the financial needs of the Church and its outreach activities and to meet deficit of the Church expenses.

- 19<sup>th</sup> October 2023:

**L'Arche , UK – £5,000** – In support of the care of the disabled in the UK centres.

**CAFOD UK, - £20,000** – In support of climate change programmes in Bangladesh.

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Safeguarding Training**

Some of the Trustees underwent safeguarding training given by Religious Life Safeguarding Service (RLSS) during the year 2023.

Mary Alphonse: Basic Safeguarding Training, on 22<sup>nd</sup> March 2023

Trustees: Trustees Safeguarding Training, 4<sup>th</sup> May 2023 ( all Trustees attended this training and each one received the certificate of RLSS.

Mary Alphonse: Safeguarding training for Leaders, 4<sup>th</sup> April 2023

Gloria Beg: Safeguard Lead Training, sometime in March 2023

### **Investment performance**

Despite a higher interest rate environment the US economy was surprisingly resilient over the course of the year, buoyed by significant government spending programmes. A short period of market volatility in the first quarter linked to a regional banking crisis was swiftly forgotten as the emerging theme of generative artificial intelligence started to dominate the investment landscape. The large-cap technology companies were the main beneficiaries and delivered out-sized returns which in turn pushed US indices higher. Other global economies and markets were more sluggish, particularly China which experienced a sharp contraction in the property sector, but indices enjoyed a rally heading into the year end as sentiment became more positive. The improvement was prompted by indications that inflation was falling sharply and that monetary policy was therefore having the desired effect. This led to a shift in tone from the Federal Reserve and the expectation that interest rates would start to fall sooner in 2024 than had formerly been anticipated.

The market value of the investments stood at £5,626,300 as at the 31<sup>st</sup> December 2023. Income generated during the year came to £210,390 which equates to a closing yield of 3.7%. The total return (including income) from the portfolio during the year was 0.6%, which compares with figures of 9.1% and 10.1% for the MSCI PIMFA Income and MSCI PIMFA Balanced Indices respectively. The disappointing relative performance is linked to the low US exposure, discount-widening across the investment trust holdings and poor returns from sectors such as consumer goods and pharmaceuticals. The breakdown of the portfolio (23% Fixed Interest, 27% UK Equities, 19% Overseas Equities, 4% Cash, 27% Alternative Assets) is deemed appropriate in view of the investment objectives and the level of income is satisfactory.

### **Financial review**

The Statement of Financial Activities on page 11 shows a net outgoing movement of funds of £276,098 (2022 net outgoing movement: £723,568). Also, a net loss on investment assets of £139,043 (2022 net loss: £490,459), and without these overall net losses, the charity had net outgoing resources of £137,055 (2022: £233,109).

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Reserves Policy**

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 2023*

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### **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 2023*

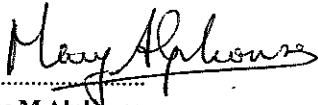
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The trustees who served during the year and up to the date of signature of the financial statements were:

Miss E McHale  
Miss G Eastwood  
Miss M Brogan  
Miss M Brennan  
Miss M Alphonse  
Miss A Boland  
Miss G Beg

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: ...18/10/24...

# 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 2023.

#### **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**

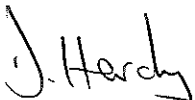
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting 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**

Ground Floor

1 - 7 Station Road

Crawley

West Sussex

RH10 1HT

Dated: ...18/10/24

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year		Unrestricted funds general 2023 £	Unrestricted funds Designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<b>Income and endowments from:</b>						
Donations and legacies	3	1,475	-	-	1,475	54,712
Charitable activities	4	8,665	-	-	8,665	11,850
Investments	5	214,827	-	-	214,827	205,909
Other income	6	6,271	-	-	6,271	103
<b>Total income</b>		<u>231,238</u>	<u>-</u>	<u>-</u>	<u>231,238</u>	<u>272,574</u>
<b>Expenditure on:</b>						
Raising funds	7	50,714	-	-	50,714	54,812
Charitable activities	8	261,686	55,894	-	317,580	450,871
<b>Total expenditure</b>		<u>312,400</u>	<u>55,894</u>	<u>-</u>	<u>368,294</u>	<u>505,683</u>
Net gains/(losses) on investments	13	<u>(139,043)</u>	<u>-</u>	<u>-</u>	<u>(139,043)</u>	<u>(490,459)</u>
<b>Net expenditure</b>		<u>(220,205)</u>	<u>(55,894)</u>	<u>-</u>	<u>(276,099)</u>	<u>(723,568)</u>
Transfers between funds		<u>314,069</u>	<u>(314,069)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	10	<u>93,864</u>	<u>(369,963)</u>	<u>-</u>	<u>(276,099)</u>	<u>(723,568)</u>
<b>Reconciliation of funds:</b>						
Fund balances at 1 January 2023		<u>85,032</u>	<u>9,558,873</u>	<u>8,338</u>	<u>9,652,243</u>	<u>10,375,811</u>
<b>Fund balances at 31 December 2023</b>		<u>178,896</u>	<u>9,188,910</u>	<u>8,338</u>	<u>9,376,144</u>	<u>9,652,243</u>

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 2023

Prior financial year		Unrestricted funds general 2022 £	Unrestricted funds Designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<b>Income and endowments from:</b>					
Donations and legacies	3	54,712	-	-	54,712
Charitable activities	4	11,850	-	-	11,850
Investments	5	205,909	-	-	205,909
Other income	6	103	-	-	103
<b>Total income</b>		<u>272,574</u>	<u>-</u>	<u>-</u>	<u>272,574</u>
<b>Expenditure on:</b>					
Raising funds	7	54,812	-	-	54,812
Charitable activities	8	254,807	196,064	-	450,871
<b>Total expenditure</b>		<u>309,619</u>	<u>196,064</u>	<u>-</u>	<u>505,683</u>
Net gains/(losses) on investments	13	<u>(490,459)</u>	<u>-</u>	<u>-</u>	<u>(490,459)</u>
<b>Net income</b>		<u>(527,504)</u>	<u>(196,064)</u>	<u>-</u>	<u>(723,568)</u>
Transfers between funds		<u>518,071</u>	<u>(518,071)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	10	<u>(9,433)</u>	<u>(714,135)</u>	<u>-</u>	<u>(723,568)</u>
<b>Reconciliation of funds:</b>					
Fund balances at 1 January 2022		<u>94,465</u>	<u>10,273,008</u>	<u>8,338</u>	<u>10,375,811</u>
<b>Fund balances at 31 December 2022</b>		<u>85,032</u>	<u>9,558,873</u>	<u>8,338</u>	<u>9,652,243</u>

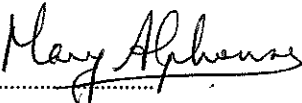
# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		3,338,960		3,386,813
Investments	16		5,420,318		5,547,660
			<u>8,759,278</u>		<u>8,934,473</u>
<b>Current assets</b>					
Debtors	17	13,761		9,319	
Cash at bank and in hand		626,350		732,161	
			<u>640,111</u>		<u>741,480</u>
<b>Creditors: amounts falling due within one year</b>	18	(23,245)		(23,710)	
<b>Net current assets</b>			<u>616,866</u>		<u>717,770</u>
<b>Total assets less current liabilities</b>			<u>9,376,144</u>		<u>9,652,243</u>
<b>Net assets excluding pension liability</b>			<u>9,376,144</u>		<u>9,652,243</u>
			<u><u>9,376,144</u></u>		<u><u>9,652,243</u></u>
<b>The funds of the charity</b>					
Restricted income funds	20		8,338		8,338
Unrestricted funds - general			178,896		85,032
Unrestricted funds - Designated	21		9,188,910		9,558,873
			<u>9,376,144</u>		<u>9,652,243</u>

The financial statements were approved by the trustees on ...18/10/24

  
 .....  
 Miss M Alphonse  
 Provincial Superior

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### 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 2023

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### 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 2023

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### 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 2023

### 3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	1,475	2,180
Legacies receivable	-	52,532
	<u>1,475</u>	<u>54,712</u>

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Religious services provision</b>		
Religious services provision	8,665	11,850
	<u>8,665</u>	<u>11,850</u>

### 5 Investments

	general 2023 £	general 2022 £
Investment Income	210,397	205,091
Deposit account interest	4,430	818
	<u>214,827</u>	<u>205,909</u>

### 6 Other income

	general 2023 £	general 2022 £
Royalties	132	103
Other income	6,139	-
	<u>6,271</u>	<u>103</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Raising funds

	general 2023 £	general 2022 £
<u>Investment management</u>	50,714	54,812
	<u>50,714</u>	<u>54,812</u>

### 8 Expenditure on charitable activities

	Direct charitable expenditure 2023 £	Direct charitable expenditure 2022 £
<b>Direct costs</b>		
Staff costs	41,198	40,993
Depreciation and impairment	47,853	47,854
Religious Services Provision	99,154	96,001
Payments to mission	87,840	179,873
Maintenance	9,761	59,324
	<u>285,806</u>	<u>424,045</u>
<b>Share of support and governance costs (see note 9)</b>		
Governance	31,774	26,826
	<u>317,580</u>	<u>450,871</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	261,686	254,807
Unrestricted funds - Designated	55,894	196,064
	<u>317,580</u>	<u>450,871</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Accountancy and audit/independent examination	-	16,922	16,922	17,520
Legal and professional	-	14,536	14,536	9,007
Bank Charges	-	316	316	299
	-	31,774	31,774	26,826
Analysed between				
Charitable activities	-	31,774	31,774	26,826

### 10 Net movement in funds

	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	47,853	47,854

### 11 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.

### 12 Employees

Employment costs	2023	2022
	£	£
Wages and salaries	38,409	38,340
Other pension costs	2,789	2,653
	41,198	40,993

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	(157,374)	(490,459)
Sale of investments	18,331	-
	<u>(139,043)</u>	<u>(490,459)</u>

### 14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 15 Tangible fixed assets

	Freehold Property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2023	3,839,975	145,061	13,893	3,998,929
At 31 December 2023	<u>3,839,975</u>	<u>145,061</u>	<u>13,893</u>	<u>3,998,929</u>
<b>Depreciation and impairment</b>				
At 1 January 2023	462,906	135,317	13,893	612,116
Depreciation charged in the year	46,133	1,720	-	47,853
At 31 December 2023	<u>509,039</u>	<u>137,037</u>	<u>13,893</u>	<u>659,969</u>
<b>Carrying amount</b>				
At 31 December 2023	<u>3,330,936</u>	<u>8,024</u>	<u>-</u>	<u>3,338,960</u>
At 31 December 2022	<u>3,377,069</u>	<u>9,744</u>	<u>-</u>	<u>3,386,813</u>

### 16 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2023 & 31 December 2023	5,547,660
<b>Carrying amount</b>	
At 31 December 2023	<u>5,547,660</u>
At 31 December 2022	<u>5,547,660</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 16 Fixed asset investments

(Continued)

Historical cost:  
2023: £4,322,540  
2022: £4,318,301

There were no investments held at the year end which were valued over 5% of the total portfolio market value. Revaluation reserves of £1,097,778 (2022: 1,229,359) are included within the designated funds.

### 17 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Other debtors	2,827	2,556
Prepayments and accrued income	10,934	6,763
	<u>13,761</u>	<u>9,319</u>

### 18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	<u>23,245</u>	<u>23,710</u>

### 19 Retirement benefit schemes

Defined contribution schemes	2023	2022
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>2,789</u>	<u>2,653</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

### 20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	At 31 December 2023
	£	£
	<u>8,338</u>	<u>8,338</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 20 Restricted funds

(Continued)

Previous year:	At 1 January	At 31 December
	2022	2022
	£	£
Mission fund	8,338	8,338

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.

### 21 Unrestricted funds - Designated

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:

	At 1 January 2023	Resources expended	Transfers	At 31 December 2023
	£	£	£	£
Maintenance fund	5,547,660	(9,761)	(117,000)	5,420,899
Property fund	3,377,069	(46,133)	-	3,330,936
Provincial fund	448,221	-	(97,069)	351,152
Communities fund	15,923	-	-	15,923
Special projects fund	120,000	-	(100,000)	20,000
Property maintenance fund	50,000	-	-	50,000
	<u>9,558,873</u>	<u>(55,894)</u>	<u>(314,069)</u>	<u>9,188,910</u>
<b>Previous year:</b>	<b>At 1 January 2022</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>At 31 December 2022</b>
	£	£	£	£
Maintenance fund	6,156,775	-	(609,115)	5,547,660
Property fund	3,423,202	46,133	-	3,469,335
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	301,214
Property maintenance fund	50,000	59,324	59,324	168,648
	<u>10,273,008</u>	<u>(196,064)</u>	<u>(518,071)</u>	<u>9,558,873</u>

# DAUGHTERS OF THE HEART OF MARY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 21 Unrestricted funds - Designated

(Continued)

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 £1,097,778. (2022 - £1,229,359).

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 repairs and maintenance of the Charities Properties.

### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	8,024	3,330,936	-	3,338,960
Investments	(127,342)	5,547,660	-	5,420,318
Current assets/(liabilities)	35,081	573,447	8,338	616,866
	<u>(84,237)</u>	<u>9,452,043</u>	<u>8,338</u>	<u>9,376,144</u>

	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>

### 23 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).