

**Sisters of the Holy Cross  
Charitable Trust**

**Annual Report and Accounts**

31 August 2019

Charity Registration Number 238426

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## Reference and administrative information

<b>Trustees</b>	Sister Sheila Brennan Sister Margaret Donovan Sister Ursula Eberhardt Sister Elizabeth O'Donohoe  The trustees are incorporated under the Charities Act 2011
<b>Provincial Leader</b>	Sister Margaret Donovan
<b>Provincial Bursar</b>	Sister Imelda Fleming
<b>Administrative Address</b>	Holy Cross Provincialate 41 Westbury Road New Malden Surrey KT3 5AX
<b>Charity Registration Number</b>	238426
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 9 Penn Road Beaconsfield Buckinghamshire HP9 2PT
<b>Property Advisers</b>	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
<b>Solicitors</b>	Pothecary Witham Weld 70 St George's Square London SW1V 3RD  Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

## Reference and administrative information

<b>Investment Managers</b>	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL
	Rathbone Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW
	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
	Smith and Williamson Investment Management LLP 25 Moorgate London EC2R 6AY

The trustees present their statutory report, together with the accounts of the Sisters of the Holy Cross Charitable Trust (the charity), for the year ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 37 to 43 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

## **INTRODUCTION**

The Congregation of the Sisters of the Holy Cross (the Congregation) was founded in Switzerland in 1844 by Mother Bernarda Heimgartner. The Congregation is a Papal Congregation. The sisters work in Southern Africa, India, Iraq, Sri Lanka, Pakistan, Latin America, Germany, Switzerland, Italy, Northern Ireland and England. The sisters were sent to England in 1902 and first lived in Wimbledon.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the English Province of the Congregation are held and through which its finances operate. The charity is governed by a trust deed dated 31 August 1949 and is registered under the Charities Act 2011, Charity Registration No. 238426.

## **MISSION**

The Sisters of the Holy Cross Charitable Trust aims to support the religious and other charitable works carried on by the members of the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The ministries of the sisters of the Congregation in England benefit numerous members of the general public. They fall into the following main areas:

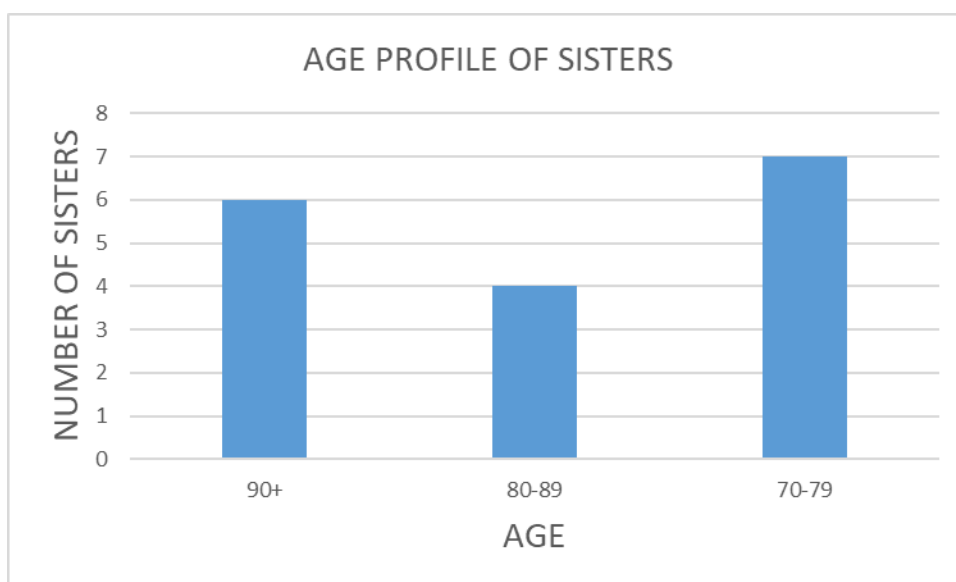
- ◆ Caring for members of the Congregation.
- ◆ The provision of education, care, social, pastoral and counselling services by individual sisters.
- ◆ Support of the overseas missionary work of the Congregation and the provision of grants and donations to other organisations with objectives consistent with those of the charity.
- ◆ The provision and running of a Catholic School, the Coombe – an independent day school for girls aged 4 to 11 in Coombe, Kingston, Surrey.

## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

### Caring for members of the Congregation

In common with many religious congregations in England, the age profile of the sisters is increasing towards the older age groups.

The age profile of the sisters in the English Province at 31 August 2019 is shown graphically below:



The Congregation has an obligation to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to education in its broadest sense. As a consequence of the age profile of the sisters, the trustees are giving careful consideration to the health and needs of the sisters, the property requirements of the Province and their financial implications. The aims of the trustees in the forthcoming years include:

- ◆ Ensuring the sisters receive the high level of care that they require;
- ◆ Enabling all sisters to continue with their ministries for as long as possible; and
- ◆ Reviewing the charity's properties and assessing their suitability for the elderly.

### Social and pastoral work

The following are some examples of social and pastoral work undertaken by the sisters:

- ◆ Caring for sisters of the Congregation in need;
- ◆ Working in parishes including visiting, helping in catechetical programmes, and assisting parishioners to develop their spiritual life;
- ◆ Spiritual direction, retreat work and guiding prayer groups;

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

### **Social and pastoral work** (continued)

- ◆ Teaching in schools;
- ◆ Working in a day centre for the elderly;
- ◆ Visiting the elderly and infirm;
- ◆ Supporting the homeless;
- ◆ Working with environmental groups; and
- ◆ Working with groups that combat trafficking.

The aims of the trustees in this area include:

- ◆ Enabling all sisters of the Province to carry out their works of charity within the community after assessing their skills and the needs of the local area;
- ◆ Encouraging and motivating the sisters to work with and assist the poor, elderly and marginalised; and
- ◆ When possible, ensuring that the sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and this helps ensure that the work of the sisters and the charity may continue into the future and develop.

### **Support of overseas missionary work and the provision of grants and donations**

The charity supports the work of the sisters of the Congregation in developing countries. The money donated to the Congregation by the English Province is administered by the General Administration in Switzerland. Funds are transferred only when requested by the sisters on the mission field. The Generalate receives regular reports on how this money is spent by the sisters in India, Sri Lanka, Lesotho, Zambia and the Cape Province, and in turn informs the trustees of the English Province. In consultation with the Generalate in Switzerland, when appropriate, the trustees decide on the amount of donations and other payments in support of missionary work and ministry.

In addition to supporting the work of the Congregation overseas, the charity also provides grants to other organisations with objectives consistent with its own. Details of the charity's grant making policy and its approach to grant making are given later in this report.

### **Education**

Holy Cross Preparatory School, Kingston Hill (the Coombe) is managed on a day-to-day basis by a lay headteacher. The School has a strong Christian ethos and strives to enable each student to develop their God given gifts and a lifelong love of learning with the aim of realising their full potential spiritually, academically, personally and physically.

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

### **Education (continued)**

The School has over 280 pupils – all of whom are girls aged from 4 to 11 years old. It is set in eight acres of breath taking grounds, which include the remains of Coombe Conduit built in 1515 by Cardinal Wolsey to carry water to nearby Hampton Court Palace during the reign of Henry VIII. The author, John Galsworthy, spent his childhood there and described Coombe Ridge House – the main part of the School building – in *The Forsyte Saga* and other writings. It is a non-selective school and has a fairly wide cross section of academic ability. The School provides the opportunity for the pupils to acquire a love of learning and self-discipline with the confidence to become independent learners.

In operating the School, the trustees aim to:

- ◆ Provide a Christian education in which the worship of God, gospel values and sensitivity to other faiths are central to school life;
- ◆ Provide a first class academic independent education for the pupils;
- ◆ Provide an environment where each pupil can develop her potential, thus helping her to grow in self-confidence and inculcate a desire to contribute to the wider community;
- ◆ Work in partnership with parents, teachers and pupils;
- ◆ Employ highly qualified staff to teach the pupils and support them in their ongoing training and development; and
- ◆ Maintain the financial security of the School through careful budgeting and by setting fees at levels that ensure the viability of the School is not threatened.

### **Protection of children and vulnerable adults**

The Coombe has an appointed Child Protection Coordinator who is responsible for ensuring that all employees have undergone Disclosure and Barring Service (DBS) checks. The trustees have overall responsibility to monitor this as well as seeing that all sisters who are in any kind of ministry in Great Britain have had DBS checks.

The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS).

### **Investment policy**

The charity's investments are managed by BlackRock Investment Management (UK) Limited, Rathbone Investment Management Limited, Sarasin & Partners LLP and Smith and Williamson Investment Management LLP. There are no restrictions on the charity's power to invest. The investment strategy set by the trustees takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium term. The strategy is to maximise total returns, within acceptable levels of risk.



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

### **Investment policy** (continued)

There is an ethical policy precluding investment in any organisation which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Catholic Church.

The trustees meet regularly with the investment managers to review the performance of the portfolio and the investment strategy.

## **ACHIEVEMENTS AND PERFORMANCE**

The following paragraphs outline the main achievements during the year in each of the charity's principal activities.

### **Caring for members of the Congregation**

The charity has continued to assist the active members of the Congregation in their charitable and religious work. Any salary or stipend received by a sister is donated to the charity. In addition, the charity supports several members to work as volunteers in their chosen ministries. The charity continues to provide for those sisters who need additional support and care.

### **Social and pastoral work**

The sisters continue their social and pastoral care work as described earlier. This includes:

- ♦ One sister works part-time in a school for disabled children and in administration in a retreat centre;
- ♦ One sister teaches religious studies in a school;
- ♦ Some sisters accompany people for spiritual direction;
- ♦ Many sisters support our older and infirm sisters;
- ♦ One sister is involved in ministry at St Francis Parish, Stratford, London;
- ♦ One sister works part-time at the Coombe as a pastoral coordinator;
- ♦ One sister works with Staywell, a centre for older people, in New Malden;
- ♦ One sister works as a parish catechist;
- ♦ One sister works with Interfaith within the Westminster Diocese and runs a counselling service;
- ♦ One sister, through the Society of St Vincent de Paul, visits the elderly and infirm in their homes;
- ♦ One sister is an educator on ecological issues;

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Social and pastoral work** (continued)

- ◆ Three sisters work within their parishes on justice and peace issues;
- ◆ One sister works with groups engaged in support of trafficked people; and
- ◆ Many sisters visit the sick in nursing homes.

### **Support of overseas missionary work and the provision of grants and donations**

#### ***Overseas missionary work***

It is the aim of the trustees to continue to provide financial support to the Congregation's missions overseas.

Money transferred to the Congregation's Generalate during the year has been used for the formation of candidates who want to become Sisters of the Holy Cross, and for their professional studies. We have supported Formation in Asia, Africa and Cusco, in South America.

Formation is a journey of faith and commitment in which the formators accompany the young people through different stages to the fullness of growth and maturity in Jesus Christ in the religious life.

We continue to support the formation of candidates who wish to become Sisters of the Holy Cross. In some areas the young people have received a poor standard of education, but have a great desire to give their lives in service to God as a Holy Cross Sister. In this situation it is necessary to provide opportunities to improve their basic education, as well as introducing them into the life of a Sister and what it entails. After a Sister has taken her first vows of poverty, chastity and obedience, there is a need to continue to develop her spiritual formation.



Postulants and Novices at Bible Study and learning to pray.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Support of overseas missionary work and the provision of grants and donations**  
(continued)

***Overseas missionary work*** (continued)



Helping to prepare food



Learning how to prepare the land for growing food

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Support of overseas missionary work and the provision of grants and donations**  
(continued)

***Overseas missionary work*** (continued)

Sisters studying for professional qualifications



Learning how to make Palm Crosses



Discussing and sharing together

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Support of overseas missionary work and the provision of grants and donations** (continued)

#### ***Grant making***

The Grants Administrator continues to be employed for 2 days per week under line management of the Provincial Bursar, with office accommodation provided at Holy Cross Convent in Chalfont St Peter. The Grants Administrator has the flexibility to work from home and has remote access (via Microsoft Office 365) to her work email account.

#### *Scope of grant-making*

The scope of grant-making, which has remained unaltered since changes made in October 2017 (and explained in last year's Annual Report), is shown at our website <http://www.holycrossengland.org.uk/grant-making.htm>. The primary focus is the support of educational and/or faith projects within four Roman Catholic dioceses (Northampton, Westminster, Southwark and Brentwood) which benefit young people and/or the disadvantaged and vulnerable sectors of society. Applications which fall outside the publicised eligibility criteria, or for which a grant requested is in excess of the publicised financial limits, may be considered by the trustees on an exceptional basis.

#### *Publicity*

Feedback from both the Initial Proposal Form, plus the main Application Form, shows that 'word of mouth' and recommendations from previously successful applicants continue to be the most effective means of publicity.

The website <http://www.holycrossengland.org.uk/grant-making.htm> is receiving significantly more 'hits' and internet searches (Google, Yahoo) appear to be signposting interested parties to the website. The charity has been promoted at some national conferences and seminars, including those run by secular organisations.

#### *Grant awards*

A complete list of grants committed to during the year is provided in note 9 to the attached accounts. A brief resume of some of the successful applications is found at pages 12-15.

#### *Visits and progress reports*

The trustees and Grants Administrator were pleased to visit various projects to which they had awarded grants; the visit dates are shown on the list of grants. The Grants Administrator also requested progress reports from all ongoing projects, which were circulated to the trustees by email throughout the year.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Support of overseas missionary work and the provision of grants and donations (continued)

#### *Grant making - Some Projects Supported*

**Catholic Truth Society**  
**(in conjunction with National Prisons Chaplain)**  
**Production of A Simple Prayer Book - £10,088**

The Catholic Truth Society is a charity dedicated to publishing (non-stop since 1868). With its mission to communicate the truths of the Catholic faith, CTS uses the written word to support and encourage people at every stage of their journey; from parish priests to those exploring for the first time and from pre-schoolers to pensioners.



Our grant of £10,088 has been used to print and distribute 30,000 copies of "A Simple Prayer Book for Prisoners" to all prisons and Young Offender Institutions in England and Wales. Printing and delivery to 121 prisons took place in August. The prayer book was also presented at the National Roman Catholic Prison Chaplains Training Conference (on 5th September 2019) and they are

delighted to have this new resource; it is a very practical and simple way for chaplains to support their work.



## ACHIEVEMENTS AND PERFORMANCE (continued)

### Support of overseas missionary work and the provision of grants and donations (continued)

#### *Grant making - Some Projects Supported (continued)*

#### Workaid

Salary Contributions - £25,000



Workaid was established in 1986 in response to the Ethiopian famine. The charity collects unwanted tools and equipment from around the UK, then repairs, refurbishes and sends them to vocational training centres in Africa in order that

disadvantaged people can learn a trade and help themselves out of poverty.

Workaid also provides a sense of purpose and community to c.300 volunteers from around Chesham. These are mainly the retired but also include school students, a team of young adults with learning disabilities, others recovering from head injuries and a small number of rehabilitating offenders (as part of their community service). Our grant of £25,000 contributed to the salaries of two key staff members.

2018/19 was a record year in terms of containers sent to Africa. Around 11,000 beneficiaries will learn a trade using Workaid items, 8,000 will be able to produce items to boost their household income and 9,000 will either build their own business or find paid employment.



**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Support of overseas missionary work and the provision of grants and donations**  
(continued)

***Grant making - Some Projects Supported*** (continued)

**Notre Dame de France RC Church (Leicester Square)**

**Spirit in the City Festival - £15,000**

The annual Spirit in the City Festival is organised by Notre Dame de France RC Church, Leicester Square. The programme, part-funded by our grant of £15,000, combines elements of prayer, faith

formation and evangelisation. Its aim is to bring together Catholics from across the area and beyond, and to reach out to non-Church-going audiences of the West End. The festival re-

**SPIRIT** in the **CITY** 



establishes the Church's presence in the midst of the entertainment district and shows that the Church can be the place where people will find love, acceptance, community, spiritual growth and God. For people who had Christian roots but have found it difficult to live out that faith, and for those who have no faith, they are presented with a joy-filled way of living as a direct

consequence to a life in Christ. It gives them room to reflect and hopefully seek out that which Christ offers us.



**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Support of overseas missionary work and the provision of grants and donations**  
(continued)

***Grant making - Some Projects Supported*** (continued)

**RISE Theatre Company CIC**

**Development of New Portfolio for Schools - £24,975**



RISE Theatre CIC is a professional Christian theatre company with a passion for delivering exciting, original, transformative theatre. Run as a not-for-profit Community Interest Company (CIC), RISE works in schools, churches, events and festivals across the UK with the aim of inspiring people of all ages to realise their full potential in life. Our grant of £24,975 was awarded for the development of a new portfolio of performances and activities in secondary schools. Using performance, creative activities, drama workshops, discussion, prayer and reflection, RISE help students to explore faith themes relating to identity, calling, and love in action.



## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Education**

The charity's pre-prep and prep-school aim to provide an excellent education to girls from the ages of 4 to 11 years. The school's mission is to seek to provide a Catholic, Christian education in which the worship of God, gospel values, a knowledge and respect of other faiths, and a sensitivity for others are central to school life.

In the spirit of St Francis, the school is a caring community which strives to enable each person to realise their full potential spiritually, academically, personally and physically. To achieve this the school welcomes all faiths and works in partnership with parents, teachers and children to develop the God-given gifts of each person.

Specific aims include:

- ◆ To enable each person to grow to Christian maturity, through our worship of Christ and fostering our journey in life.
- ◆ In the pursuit of excellence in our relationships and teaching, the school aims to give each child the opportunity for self-growth spiritually, personally, academically and physically.
- ◆ To develop each child's confidence, maturity and life-long enjoyment and love of learning.
- ◆ To recognise the individuality of each child and encourage the development of their own character and potential through an awareness and respect for themselves and for others.
- ◆ To develop the self-worth and self-discipline of each child and to establish a caring school community.
- ◆ To prepare children for examinations and entry to senior schools within a broad and balanced curriculum relevant to the needs of our children in an ever changing world.
- ◆ To develop a strong sense of responsibility, co-operation and tolerance based on an awareness of needs of others and an understanding of charitable works.
- ◆ To create and foster a partnership between parents and school and the wider community.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

The school's objectives are set to reflect the educational aims and ethos of the school. It is important to maintain and enhance the academic and holistic success of the school. The key objectives achieved this year included:

- ◆ To maintain high pupil numbers in a changing economic, political and social landscape
- ◆ To increase pupil attainment and progress to remain above the rising national average
- ◆ To develop teaching and learning provision for the increasing number of bilingual pupils
- ◆ To build an all-weather sport's pitch and facilities to maximise pupils' sporting potential
- ◆ To develop access to the site for people with disabilities
- ◆ To develop good learning habits in pupils to enable them to be powerful learners

The school welcomes pupils from all backgrounds. To admit a prospective pupil, the school needs to be satisfied that it will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers at Holy Cross. The admissions policy states that priority is to siblings, Catholics and Christians. Thereafter an individual's economic status, ethnicity, race, religion do not form part of our assessment process. At the end of the year, the school faith profile was 42% Catholic, 32% other Christian faiths, 19% non-Christian faiths and 7% no religion.

The school is an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of the protected characteristics. It will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The school is committed to safeguarding and promoting the welfare of its pupils and expects all staff, parents and volunteers to share this commitment.

### Inspection

In May 2019, the Independent Schools Inspectorate (ISI) completed a Focused Compliance and an Educational Quality inspection of the school, in accordance with Department for Education requirements. The school met all 8 standards in the schedule to the Education regulations 2014. The key educational quality findings were "excellent":

- ◆ *The quality of the pupil's academic and other achievements is excellent.*
- ◆ *The quality of the pupil's personal development is excellent.*
- ◆ *Pupils are excellent communicators and can speak articulately, confidently, informatively and passionately about their learning.*

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

#### *Pupil numbers and fees*

Pupil numbers at school remained stable at an average of 285 girls. Fees for the academic year 2018-19 before the deduction of any means assisted bursaries and scholarships were set at £4,332 per term.

#### *Spiritual Life*

As a Catholic foundation and Christian school, the teaching and learning in Religious Education is embedded in the Gospel values and in the love which God has for each one of us. This underpins and is the strength of all relationships within the school between child, teacher, parent and those who work in our school community. The girls live out the Gospel values through the Holy Cross Way - a charter, which supports the school ethos.

A lively and interactive scheme, Come and See, supports teaching and learning in RE. Concepts and ideas are taught in stimulating and cross-curricular ways, making excellent use of ICT, art, role-play activities which bring bible stories and characters to life, as well as inspire the writing of short plays, reports and prayer. In this way, religious education is set in a meaningful and useful context for the children.

The spirituality of the school is very much alive and the love of God is very present, this is often immediately commented upon by visitors whom on entering the school speak about a "warmth" as they sense God's love.



The school meets daily for collective worship, including regularly as a whole school. Children worship as a class including regular prayer times at the beginning, middle and end of each day. The school holds a weekly Time4God Group for parents which provides spiritual inspiration and an opportunity for reflection on Gospel readings through prayer and discussion. Important events in the Church's liturgical year are recognised and celebrated through Masses celebrated by the Parish priest and services which are prepared by staff and pupils. All parents and members of the Parish were warmly welcomed at these celebrations.

The school draws from a range of other religions and cultures. The study of other faiths is included in the scheme of work and opportunities are taken to learn more about the faith journeys of our children from other religions and cultures. During the year, religious celebrations of other faiths were recognised within class and in assemblies.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

#### **Academic**

This year the school had a wide range of ability in year 6. As expected in July 2019, all 41 pupils achieved national expectations with a large proportion achieving well above:

- ◆ in maths, 98% *met* expectations for year 6, while 54% *exceeded*;
- ◆ in English reading, 98% *met* expectations for year 6, while 61% *exceeded*;
- ◆ in English writing, 98% *met* expectations for year 6, while 32% *exceeded*.

As in previous years, the majority of our year 6 pupils gained their first choice schools. The 41 pupils received 86 offers from 16 schools: 46% of pupils were awarded 28 scholarships (8 academic, 7 music, 2 art, 1 drama, 10 sport) and 3 exhibitions; 2 pupils sat and passed the 13+ Common Entrance exam; and 4 pupils passed the 11+ for Tiffin Girls school (local highly selective maintained school).

#### **Music and drama**

Music is a very important part of the curriculum, enabling pupils to appreciate, read and make music. Over half the girls in the school take instrumental/singing lessons during the school day in a wide variety of instruments. The girls achieved exceptionally good results in Royal School of Music Examinations often achieving merit or distinction.



Drama is also important and many girls took LAMDA exams: 62% gained distinction and 38% merit.

#### **Sport**

The School has a '*sport for all with excellence*' policy. Core curriculum sports included hockey, netball, cricket, athletics, dance, gymnastics and cross-country. Sporting activities were numerous with opportunities before and after school as well as at break time and lunchtime. Participation rates were high and pupils were very involved in sport in the local and wider community.



## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Education** (continued)

#### ***Sport*** (continued)

In June the school completed the construction of a £1.25million sports investment project which included 2 new all-weather sports pitches (one flood-lit 3G hockey pitch and one artificial grass pitch) and a sport's pavilion (soon to be surrounded by a cross-country run along its boundary) providing exceptional facilities for a prep-school of its size.



#### ***Bursary policy***

The Trustees view bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. The Bursary Committee assesses all applications to establish whether a family's financial situation is appropriate for an award to be considered within the limits of the current year's bursary budget and the level of support which would be required to allow the child to attend or remain at the school. The amount of the bursary award is not influenced by the level of the academic ability of the child but by the extent of need.

The bursary awards are up to 100 % of fees plus additional costs. Information about fee assistance through bursaries is available to those applying to the school. Bursaries are advertised on the school website and local parishes. Temporary hardship bursaries are available where parents have been paying full fees but then find themselves in challenging financial circumstances. In 2018/19 year the value of means tested bursaries totalled £94,304 and represented 2.56% of gross fees. This provided assistance to 10 pupils, of which 7 pupils benefitted from a full remission of fees.

#### ***School partnerships***

The school seeks to widen access to its education resources, by bringing independent and state school communities together in a mutually beneficial way. Since September 2016, the school has had an official partnership with two local state schools: Coombe Infant School and Coombe Junior School. Throughout the academic year 2018-19, the school's drama teacher has led a highly successful out-reach project with year 5 pupils at Coombe Junior School, sharing her expertise to develop their drama skills, and confidence culminating in performances to parents. In addition, the upper junior children came together to enjoy and learn from the well-known children's author Peter Brown and a group attended a Royal Institute of Science programme of Maths Master Classes. The school also hosted a retreat day for year 8 pupils from the local Catholic senior school.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Education** (continued)

#### ***School partnerships*** (continued)

The school has a strong partnership with the Holy Cross Primary School in Chalala, Lusaka, Zambia. The school continued to collect books to resource the Zambian school library. In the autumn, 40 Zambian pupils visited school for a day to share culture, friendship and laughter.

#### ***Community service and access to facilities***

We see Holy Cross Prep as part of a wider community. We use the halls and school grounds for the benefit of the local community: Macmillan hosted their annual World's Biggest Coffee; a local adult netball club used the premises for training; successful summer, October and Easter activity camp was run in the grounds for the use of local children aged 4-13; and the school opened Coombe House and the grounds to the public for the English Heritage weekend. We were pleased to celebrate the continued links with former year pupils and their families (Holy Cross Alumni) and provide work placements for former students from both the state and independent sectors.

## **FINANCIAL REVIEW**

### **Results for the year**

A summary of the year's results can be found on page 34 of the attached accounts.

Total income in the year was £6,416,527 (2018 - £5,447,575) with income from educational services totalling £4,156,889 (2018 - £3,954,947). Income for the year includes an amount of £590,540 being legal costs recovered by the charity in respect to its defence of claims made by Chalfont St Peter Parish Council – see "Disposal of land at Chalfont St Peter" below.

Total expenditure in the year was £6,835,816 (2018 - £5,452,259). Expenditure on providing educational services totalled £3,910,677 (2018 - £3,579,488). Expenditure of £1,733,483 (2018 - £927,067) was incurred in maintaining sisters and enabling them to carry out their work. Expenditure of £1,108,043 (2018 - £865,288) was incurred on grants, donations and support of missionary work and ministry. The charity continued its grant making activity and grants of £1,108,043 (2018 - £698,962) were awarded as per note 9 to the accounts.

The net expenditure for the year before investment gains was £419,559 (2018 - £4,684). Net investment gains amounted to £802,476 (2018 - £461,088)

The resultant net income i.e. the net increase in funds for the year was £382,917 (2018 - £456,404) giving rise to total funds at 31 August of £48,694,781 (2018 - £48,311,864).

### **Disposal of land at Chalfont St Peter**

In January 2016, the charity achieved legal completion on the disposal of land in Chalfont St Peter, Buckinghamshire to Persimmon Homes Limited resulting in a surplus on disposal of £27,167,213.

## **FINANCIAL REVIEW** (continued)

### **Disposal of land at Chalfont St Peter** (continued)

The land was the site of the former Holy Cross Convent School known as The Grange which closed in 2006. The legal completion of the sale was the culmination of a long and contentious planning battle which began in October 2010 (when the trustees were granted outline planning permission for a mixed-use development on the site) and ended in April 2015 following the failure of an application by Chalfont St Peter Parish Council to challenge a Court of Appeal decision that had found in favour of the trustees.

The Parish Council alleged subsequently that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. As a consequence of this alleged misrepresentation, the Parish Council argued they suffered loss. In April 2017, the High Court granted permission for an action against the trustees to proceed.

During the year, the case was considered and the trial heard by the High Court of Justice. At the end of the trial, the Judge concluded that the claims in tort pursued by the Parish Council had failed and, consequently, they were dismissed.

In defending the case, the charity has incurred legal costs of £993,329 during the year bringing the total costs in respect to this particular claim to approximately £1.3 million. At 31 August 2019 the charity had been awarded £590,540 in respect to these costs and this amount has been included within the attached accounts as income.

Since the year-end, following the receipt of advice from their legal team, the trustees have appealed the Judge's decision that the charity should be awarded costs on a standard basis rather than an indemnity basis which would be more favourable to the charity. The trustees have been granted leave to appeal the Judge's decision. Before embarking on the appeal, the trustees have instructed their legal advisers to make an offer to the Parish Council under part 36 of the Civil Procedure Rules in respect to a settlement for costs. No provision has been made in the attached accounts for additional costs that may be recovered by the charity.

### **Investment performance**

During the year, the charity's investments achieved an income yield of 3.2% (2018 - 2.90%) and a capital yield of 2.3% (2018 - 1.22%). The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the year, the charity's portfolio of listed investments comprised 33.2% (2018 - 32.17%) Alpha CIF for Endowment income units, 27.1% (2018 - 27.69%) UK equities, 24.4% (2018 - 24.72%) UK unit trusts, 13.4% (2018 - 14.20%) overseas equities and 1.7% (2018 - 1.22%) cash instruments.

### **Financial position**

The balance sheet shows total funds of £48.7million (2018 - £48.31 million), of which £3.28million (2018 - £3.35 million) is represented by tangible fixed assets used to support the work of the sisters.



## **FINANCIAL REVIEW** (continued)

### **Financial position** (continued)

In addition, £7.3 million (2018 - £6.89 million) represents the assets designated for the use of The Holy Cross Preparatory School.

A further £6.2 million (2018 - £6.2 million) represents the retirement reserve designed to provide income for the future care and support of the sisters.

The trustees' have invested the proceeds from the disposal of the charity's land at Chalfont St Peter in 2016 with the intention that the resultant income is used to fund grants to other charities and individuals, provided such grants are applied for purposes consistent with the charity's charitable objectives. To this end, the trustees have established a designated grants fund which had a balance of £24.5 million at 31 August 2019 (2018 - £24.5 million). This fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust.

Details of the designated funds are given in note 22 of the attached accounts.

Free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £7,380,347 at 31 August 2019 (2018 - £7,292,799)

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Congregation's work, the cost of caring for the sisters and maintaining the convents etc, the level of free reserves should be approximately twelve months annual expenditure (excluding grants payable and the costs relating to the charity's independent school) to provide for contingencies and unevenness in future outcome. At 31 August 2019 the level of free reserves required under this policy would be approximately £1,227,000.

At the date of the balance sheet, the trustees recognise that the level of free reserves is well in excess of the parameters set out in the policy above. This is due to the significant surplus realised from the disposal in 2016 of the land at Chalfont St Peter. As explained above, the trustees have used the proceeds to embark on a substantial grant making programme. This requires investment, significant preparation and planning as well as detailed discernment of the types of projects to be supported with the aim of establishing a robust and workable grant making policy. Whilst this work continues, the trustees believe it appropriate to retain certain of the monies as general funds until it becomes clearer the final direction in respect to the charity's grant making activities at which time further monies will be designated. At the present time, therefore, the trustees are content with the charity's level of general funds or free reserves.

## **PLANS FOR FUTURE PERIODS**

Over the past year, following the disposal of the land at Chalfont St Peter, we have continued to develop our grant making activity, which is being used to support projects in line with our charism. We are constantly reviewing this new continuing development, while other important works of the charity continue. In the year ahead, it is the trustees' intention to increase the charity's grant making activity such that all income generated by the investments representing the grants fund is distributed over time.

In addition, over the forthcoming year the trustees intend that the charity will:

- ◆ Continue to care for the sisters and enable them to carry out their pastoral work for ministry, providing training where required.
- ◆ Maintain the high standard of academic achievement as measured by Independent Schools Inspectorate at the Holy Cross Preparatory School, Kingston Hill (The Coombe).
- ◆ Continue to promote Christian values in a Catholic setting at The Coombe, whilst welcoming pupils from different cultures, faith and countries.
- ◆ Continue to monitor the bursary policy at The Coombe.
- ◆ Encourage the development, training and continued professional development of staff at The Coombe, and other employees who work for the Sisters.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governance**

In terms of Canon Law, the Congregation is governed at an international level by the Congregational Leader and her General Council in Switzerland. They are elected every six years at a General Chapter. The English Province is governed by the Provincial Leader and her Provincial Council. There is a system of accountability throughout the Province to ensure that the Provincial Leader and her Councillors are aware of the ministries carried out by the sisters of the Province. The Congregational Leader makes a visit to the English Province at least once every six years.

In terms of civil law, the charity is governed by its trust deed and trustees. The trustees are appointed by the Provincial Leader. They are the four members of the Provincial Council. All members have knowledge of the charity and of its structures. They meet with the Congregation's legal, accounting and investment advisers during the course of the year to obtain a full briefing of their responsibilities and the charity's position. The Provincial Leader and individual trustees attend courses and workshops on the role of trustees and share the information with the other trustees. The trustees are an incorporated body under the Charities Act 2011.

The trustees in office during the year are listed on page 1. Brief biographical details of each are given below:

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

### **Governance (continued)**

#### ***Sister Sheila Brennan***

Sister Sheila is currently the Assistant Provincial Leader of the English Province. Post noviciate, Sister studied at Digby Stuart College of Education from where she obtained her teacher's certificate and consequently taught at Holy Cross Convent School, Chalfont St Peter; Our Lady's, Corby; Ladycross, Birkenhead; and St Bede's, Wallasey. After fifteen years in the teaching profession, Sister Sheila retrained for youth and community work at Westhill College of Education in Birmingham. After qualifying, she worked for the Catholic Youth Service in the Diocese of Lancaster. Returning South, Sister's ministry took her to Kingston-upon-Thames where she was involved with young people at risk. Sister's next ministry took her to East London to work in catechesis alongside the Franciscan Friars and she later moved to New Malden as co-ordinator of parish programmes, where she remained until she was elected as the Provincial Leader of the English Province in 1994. During this time, Sister studied part-time for her BA degree with the Open University and she also completed a three year part-time course in Spirituality at Lombard Street in 2003. In 2003/04, Sister Sheila spent one year of renewal in the US and is now engaged in a voluntary capacity in catechesis.

#### ***Sister Margaret Donovan***

Sister Margaret took over as Provincial Leader of the English Province from Sister Imelda Fleming, who had completed her term of office, on 1 April 2012. For the previous 29 years, Sister Margaret taught at Holy Cross Catholic Girl's School in New Malden. She was one of the Assistant Heads for 10 years, responsible for spirituality and the daily running of the school. She taught Religious Education and Mathematics. Sister Margaret trained at Digby Stuart College in Roehampton, has an MA in Religion and Education from St Mary's University and also studied for a year in Rome. She is a Foundation Governor for Holy Cross Catholic Girl's School in New Malden. Sister Margaret works with young people to help them discern what God is asking of them in life. She is also supporting education links with Holy Cross Convent School in Lusaka, Zambia.

#### ***Sister Ursula Eberhardt***

Sister Ursula completed her teacher training at Digby Stuart College, London. Later she studied for a Theology Degree Hons at Kings College London for three years. She taught in various schools, including 17 years as Deputy Head at Holy Cross Preparatory School in Kingston and then a further seven years at the school before stepping down from classroom teaching. She is now engaged in a voluntary capacity at Holy Cross Preparatory School in a pastoral care capacity, as well as helping with disabled children at Bedelsford School, Kingston. She also co-ordinates the First Communion classes at St Ann's R.C. Church as well as being involved with other parish work.

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

### **Governance** (continued)

#### ***Sister Elizabeth O'Donohoe***

Sister Elizabeth O'Donohoe was educated by the Sisters of the Holy Cross at the Grange, Buckinghamshire. After entering the Order, she did her BA and Teachers' Certificate at St Mary's College Twickenham. Having graduated, she taught at the Holy Cross Convent School in New Malden for twelve years, and then went to train as a Spiritual Director with the Jesuits at St Beuno's in North Wales. There followed ten years in the Chaplaincy of Brunel University before going to the Westminster Pastoral Foundation for training as a counsellor and psychotherapist. At the same time as training she was invited to work, part-time, with the interfaith team of the Westminster Archdiocese, which she continued to do throughout her years as a counsellor and psychotherapist. At the end of 2016 she retired from her work as a therapist, which allowed her to increase her involvement in interfaith work. Currently, she continues with this work.

#### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

### **Statement of trustees' responsibilities** (continued)

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

### **Structure and management reporting**

The trustees are responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regards to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers, including property consultants, investment managers, solicitors and accountants.

The English Province comprises of 17 sisters. One community is situated in Buckinghamshire and the rest are in or near London. The Provincial Leader communicates and visits the sisters throughout the year and ensures their wellbeing.

A lay headteacher is in place at the Coombe. The day-to-day running of the School is delegated to the Head and the Senior Leadership Team. There is an Advisory Body for the School, which meets at least three times a year to advise the trustees on the general policy of the School and review its overall management and control. There are three sub-committees which support the Advisory Body:

- ◆ Finance;
- ◆ Bursary; and
- ◆ Buildings and Health and Safety.

### **Key management personnel**

The trustees consider that they together with the Provincial Bursar and the Headteacher of Holy Cross Preparatory School, Kingston Hill (The Coombe) comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The trustees and the Provincial Bursar are all members of the Congregation and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The remuneration of the Headteacher is reviewed annually by the trustees and is based on comparisons with similar organisations, the increase in average earnings and performance.

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

### **Working with other organisations**

The charity works closely with a number of other charities and public bodies which work in the field of education and which enhance communication and understanding of the educational needs of the students at The Coombe. The School is an active member of the Independent Association of Preparatory Schools (IAPS), a body acting for the promotion and maintenance of preparatory schools generally.

The charity has cooperated and worked closely with the following organisations:

- ♦ The Northampton, Southwark, Brentwood and Westminster Roman Catholic Dioceses;
- ♦ Kingston Education Authority; and
- ♦ English Heritage.

The school also co-operates with many local charities in its ongoing endeavours to awaken in the pupils an awareness of the social context of the all-round education that they receive at The Coombe. The school also benefits from the generosity of a thriving network of Friends of the Holy Cross, whose close support is greatly appreciated and gladly acknowledged. These interactions and many more bring great vitality to the school and broaden the outlook and experiences of the pupils.

### **Raising funds**

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

### **Risk assessment and control**

It is the duty of the trustees to undertake an annual review of the main risks to which the charity is exposed. Broadly speaking these risks may be categorised under governance and management, operational risks, financial risks, reputational risks and risks brought about by external circumstances such as changes in law, regulations and government policies. During the review, any necessary changes to existing policies and procedures and any new policies and practices are identified and implemented to minimise risk.

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

### **Risk assessment and control** (continued)

The trustees, with assistance from the risk management group at The Coombe, continue to keep the charity's activities under review, particularly with regard to any major risks which may arise from time-to-time, as well as the systems and procedures to manage them. They monitor the effectiveness of internal controls including insurance cover where appropriate. All staff employed by the charity are required to have Disclosure and Barring Service (DBS) checks before commencing employment.

The main areas of risk to the charity, along with the measures in place to safeguard that risk, are as follows:

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members of the Congregation have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity works with children and vulnerable adults including older people. The charity has a safeguarding policy which all employees are aware of, and trustees attend workshops and seminars to ensure they are up to date with changing legislation.
- ◆ The charity donates monies in support of the wider Congregation and other organisations. The majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and their performance and that of the portfolios is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ Were the Holy Cross Preparatory School to experience a downturn in pupil numbers in the current economic climate, the school could run into financial difficulty. The trustees ensure there are robust financial systems and good policies in place to provide adequate warning and allow action to be taken should this situation arise.

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

The trustees would like to record their recognition of the professionalism and commitment of all the staff, volunteer friends of the Holy Cross, and the individual members of the Congregation and to say how much the charity appreciates their continuing support.

Signed on behalf of the trustees:

Sister Margaret Donovan

Trustee

Approved by the trustees on: 29 January 2020



**Independent auditor's report to the members of Sisters of the Holy Cross Charitable Trust**

**Opinion**

We have audited the accounts of Sisters of the Holy Cross Charitable Trust (the charity) for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, a summary of the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the 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**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

**Use of our report**

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 30 January 2020

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

**Statement of financial activities** Year to 31 August 2019

	Notes	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Income from:</b>			
Donations	1	<b>479,935</b>	374,210
Investments and bank deposits	2	<b>1,188,893</b>	1,115,543
Charitable activities			
. Provision of education	3	<b>4,156,889</b>	3,954,947
Other sources:			
. Surplus on disposal of tangible fixed assets	4	—	2,875
. Award of legal costs	5	<b>590,540</b>	—
<b>Total income</b>		<b>6,416,257</b>	5,447,575
<b>Expenditure on:</b>			
Raising funds			
. Investment management costs	6	<b>83,613</b>	80,416
Charitable activities			
. Provision of education	7	<b>3,910,677</b>	3,579,488
. Support of members of the Congregation and their ministry	8	<b>1,733,483</b>	927,067
. Grants, donations and support of missionary work and ministry	9	<b>1,108,043</b>	865,288
<b>Total expenditure</b>		<b>6,835,816</b>	5,452,259
<b>Net expenditure for the year before investment gains</b>	11	<b>(419,559)</b>	(4,684)
Net gains on the revaluation and disposal of investments	16	<b>802,476</b>	461,088
<b>Net income and net movement in funds</b>		<b>382,917</b>	456,404
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 1 September 2018		<b>48,311,864</b>	47,855,460
Fund balances carried forward at 31 August 2019		<b>48,694,781</b>	48,311,864

All income and expenditure in 2018 and 2019 relates to unrestricted funds with the exception of £179,846 (£80,000 in 2018) being restricted donations towards the future cost of a new sports pavilion and new sports pitch at the charity's school. All monies raised for this purpose were utilised during the year and a transfer to the tangible fixed asset funds has been made to reflect the completion of the sports pavilion and pitch during the year.

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

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

**Balance sheet** 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	14		<b>10,909,223</b>		10,006,602
Investments	15		<b>37,527,133</b>		36,808,269
			<b>48,436,356</b>		46,814,871
<b>Current assets</b>					
Stock		<b>17,014</b>		15,670	
Debtors	16	<b>293,751</b>		272,485	
Cash at bank and in hand		<b>1,041,888</b>		2,139,208	
		<b>1,352,653</b>		2,427,363	
<b>Creditors:</b> amounts falling due within one year	17	<b>(851,378)</b>		(698,420)	
<b>Net current assets</b>			<b>501,275</b>		1,728,943
<b>Total assets less current liabilities</b>			<b>48,937,631</b>		48,543,814
<b>Creditors:</b> amounts falling due after more than one year	18		<b>(242,850)</b>		(231,950)
<b>Total net assets</b>			<b>48,694,781</b>		48,311,864
<b>The funds of the charity:</b>					
Restricted funds	19		—		80,000
Unrestricted funds					
. Tangible fixed asset fund	20		<b>3,287,258</b>		3,353,092
. Designated funds	21		<b>38,027,176</b>		37,585,973
. General funds			<b>7,380,347</b>		7,292,799
<b>Total funds</b>			<b>48,694,781</b>		48,311,864

Approved by the trustees  
and signed on their behalf by:

Sister Margaret Donovan  
Trustee

Approved on: 29 January 2020

## Statement of cash flows Year to 31 August 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,172,227)</b>	(750,415)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>1,184,342</b>	1,098,564
Proceeds from the disposal of tangible fixed assets		—	1,800
Purchase of tangible fixed assets		<b>(1,193,047)</b>	(6,000)
Proceeds from the disposal of investments		<b>3,602,578</b>	3,472,291
Purchase of investments		<b>(3,614,749)</b>	(3,735,315)
<b>Net cash (used in) provided by investing activities</b>		<b>(20,876)</b>	831,340
<b>Change in cash and cash equivalents in the year</b>		<b>(1,193,103)</b>	80,925
<b>Cash and cash equivalents at 1 September 2018</b>	B	<b>2,884,784</b>	2,803,859
<b>Cash and cash equivalents at 31 August 2019</b>	B	<b>1,691,681</b>	2,884,784

### Notes to the statement of cash flows for the year to 31 August 2019.

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

	2019 £	2018 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>382,917</b>	456,404
<b>Adjustments for:</b>		
Depreciation charge	<b>388,413</b>	352,822
Gains on investments	<b>(802,476)</b>	(461,088)
Investment income and interest receivable	<b>(1,177,784)</b>	(1,115,543)
Surplus on disposal of tangible fixed assets	—	(2,875)
(Increase) decrease in stocks	<b>(1,344)</b>	6,465
(Increase) decrease in debtors	<b>(27,824)</b>	24,317
Increase (decrease) in creditors	<b>65,871</b>	(10,917)
<b>Net cash used in operating activities</b>	<b>(1,172,227)</b>	(750,415)

#### B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<b>1,041,888</b>	2,139,208
Cash held by investment managers	<b>649,793</b>	745,576
<b>Total cash and cash equivalents</b>	<b>1,691,681</b>	2,884,784

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

#### **Basis of preparation**

These accounts have been prepared for the year to 31 August 2019 with comparative information provided in respect to the year to 31 August 2018.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

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

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where such judgements and estimates have been made include:

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the recoverability of outstanding debtors for school fees; and
- ◆ determining the value of designated funds needed at the year end in particular in respect to the assumptions made in determining the value of the retirement fund.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

### **Income recognition**

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

Income comprises donations, investment income and interest receivable, income from school fees and charges and other income including the surplus on the disposal of tangible fixed assets.

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

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

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income derived from the levying of school fees and charges is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.



**Income recognition** (continued)

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

The award of legal costs in favour of the charity (see note 5 to these accounts) has resulted in income which has been recognised on receipt of confirmation from the charity's solicitors that the monies will be receivable by the charity and the amount has been confirmed also.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

**Expenditure recognition**

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity. Fees in respect to those investments which comprise pooled investment vehicles, including common investment funds, are inherent within the relevant investment holding. The fees accounted for in this way are included within note 2 to the accounts.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
  - ◇ direct and indirect expenditure on the provision of education which includes all costs associated with the Congregation's independent day school, Holy Cross Preparatory School ("The Coombe"), direct and support costs in respect to the support of members of the Congregation and enabling their ministry (including governance costs).

**Expenditure recognition (continued)**

- ◇ Grants and donations payable include amounts towards the support of the other parts of the worldwide Congregation's and its overseas missions as well as grants to other organisations for purposes consistent with the charity's charitable objectives and which fall within the remit of its grant making policy. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

**Tangible fixed assets**

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ **Freehold land and buildings**

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. Those that were purchased on or prior to 31 August 1993 are stated at a trustees' valuation made, with professional assistance, based on market value for existing use as at that date. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to non-specialised land and buildings since after 31 August 1993 are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

#### **Tangible fixed assets (continued)**

◆ Freehold land and buildings (continued)

Specialised buildings comprise school properties and the convent situated at the Grange Chalfont St Peter, Buckinghamshire. Those that were purchased on or prior to 31 August 1993 are stated at a trustees' valuation made, with professional assistance, based on replacement cost for existing use as at that date. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to specialised buildings after 31 August 1993 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity. Improvements and enhancements to existing buildings are depreciated at 10% per annum on a straight-line basis. Roof works are depreciated at 5% per annum on a straight line basis.

◆ Furniture, equipment and motor vehicles

Expenditure on furniture, equipment and motor vehicles is capitalised and depreciated over either a four, five or a ten year period on a straight line basis.

#### **Investments**

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

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

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

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

#### **Stocks**

Stocks comprising of sundry items held for resale at the Holy Cross Preparatory School are valued at the lower of cost and net realisable value.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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

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

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

### **Services provided by members of the Congregation**

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

### **Pension costs**

The Congregation's independent school makes contributions to the Teachers' Pension Scheme (TPS), which is a defined benefit scheme. Teaching staff employed, under a contract of service are eligible to contribute to the TPS which is a statutory, contributory, final salary scheme administered by Teachers' Pensions. As the school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the charity has taken advantage of the exemption in FRS 17 and has accounted for the contributions to the scheme as if it were a defined contribution scheme.

In order to comply with the auto-enrolment requirements set out in the Pensions Act 2008, the charity offers employees of its School membership of a defined contribution pension scheme. Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme.

The Congregation's independent school also makes contributions in respect to employees' personal pension plans. These are accounted for as if they are the contributions to a defined contribution scheme and are charged to the statement of financial activities in the year in which they are payable to the scheme.

**1 Income from: Donations**

	Unrestricted funds £	Restricted funds £	<b>Total 2019 £</b>	Total 2018 £
Salaries and pensions of individual religious received under deed of covenant	296,704	—	<b>296,704</b>	294,120
Other donations	3,385	179,846	<b>183,231</b>	80,000
	<b>300,089</b>	<b>179,846</b>	<b>479,935</b>	<b>374,210</b>

The restricted donations in 2019 of £179,846 relate to donations to be applied towards the cost of a sports pavilion and sports pitch at Holy Cross Preparatory School, Kingston Hill. In 2018, £80,000 was received for the same purpose. During 2019, the sports pavilion and pitch were constructed and the monies received in both 2018 and 2019 were applied towards the cost.

**2 Income from: Investments and bank deposits**

	Unrestricted	
	<b>Total 2019 £</b>	Total 2018 £
Income from listed investments	<b>1,175,575</b>	1,111,534
Interest on cash held by investment managers	<b>2,209</b>	549
Interest on short-term deposits	<b>11,104</b>	3,460
Other bank interest	<b>5</b>	—
	<b>1,188,893</b>	<b>1,115,543</b>

**3 Income from: Provision of education**

	Unrestricted	
	<b>Total 2019 £</b>	Total 2018 £
School fees and related charges	<b>4,156,889</b>	3,954,947

**4 Income from: Surplus on disposal of tangible fixed assets**

	Unrestricted	
	<b>Total 2019 £</b>	Total 2018 £
Surplus on disposal of motor vehicles	<b>—</b>	2,875

## 5 Income from: Award of legal costs

In January 2016, the charity achieved legal completion on the disposal of land in Chalfont St Peter, Buckinghamshire to Persimmon Homes Limited resulting in a surplus on disposal of £27,167,213.

The land was the site of the former Holy Cross Convent School known as The Grange which closed in 2006. The legal completion of the sale was the culmination of a long and contentious planning battle which began in October 2010 (when the trustees were granted outline planning permission for a mixed-use development on the site) and ended in April 2015 following the failure of an application by Chalfont St Peter Parish Council to challenge a Court of Appeal decision that had found in favour of the trustees.

The Parish Council alleged subsequently that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. The alleged misrepresentations focused on two areas of land identified in the planning dispute, referred to as areas 'A' and 'B'. The trustees stated consistently that area 'B' had been used as a formal playing field but that area 'A' was only an informal playing field. It was alleged by the Parish council that the trustees adopted this position because, had area A also been used as a formal playing field, planning permission may have been refused under the local authority's policy on loss of sports facilities. As a consequence of this alleged misrepresentation, the Parish Council argued they suffered loss. In April 2017, the High Court granted permission for an action against the trustees to proceed.

During the year, the case was considered and the trial heard by the High Court of Justice. At the end of the trial, the Judge concluded that the claims in tort pursued by the Parish Council had failed and, consequently, they were dismissed.

In defending the case, the charity has incurred legal costs of £993,329 during the year bringing the total costs in respect to this particular claim to approximately £1.3 million. At 31 August 2019 the charity had been awarded £590,540 in respect to these costs and this amount has been included within these accounts as income.

Since the year-end, following the receipt of advice from their legal team, the trustees have appealed the Judge's decision that the charity should be awarded costs on a standard basis rather than an indemnity basis which would be more favourable to the charity. The trustees have been granted leave to appeal the Judge's decision. Before embarking on the appeal, the trustees have instructed their legal advisers to make an offer to the Parish Council under part 36 of the Civil Procedure Rules in respect to a settlement for costs. No provision has been made in these accounts for additional costs that may be recovered by the charity.

## 6 Expenditure on: Investment management costs

	Unrestricted	
	Total 2019 £	Total 2018 £
Investment managers' fees	83,613	80,416

**7 Expenditure on: Provision of education**

	Unrestricted	
	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Teaching	<b>3,042,396</b>	2,846,286
Welfare	<b>20,888</b>	18,309
Premises	<b>357,932</b>	305,470
Management and administration	<b>489,461</b>	409,423
	<b>3,910,677</b>	3,579,488

**8 Expenditure on: Support of members of the Congregation and their ministry**

	Unrestricted	
	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Staff costs (note 12)	<b>193,595</b>	141,947
Premises	<b>258,072</b>	242,690
Sisters' living and ministry expenses	<b>246,187</b>	207,516
Education, training and spiritual renewal	<b>12,615</b>	23,013
Governance costs (note 10)	<b>1,023,014</b>	311,901
	<b>1,733,483</b>	927,067

**9 Grants, donations and support of missionary work and ministry**

	Unrestricted	
	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Contribution to the Generalate of the Congregation towards formation expenses	<b>125,000</b>	120,000
Annual contribution to the Generalate of the Congregation	<b>14,491</b>	15,000
Contribution to the General Chapter	<b>21,550</b>	—
Donations in support of the Congregation's missions	<b>14,501</b>	19,270
Grants payable to other organisations (see below)	<b>920,158</b>	698,962
Grant administration costs	<b>12,353</b>	12,056
	<b>1,108,043</b>	865,288



**9 Grants, donations and support of missionary work and ministry (continued)**

<b>Grants payable to other organisations</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Together for Common Good		
. Pilot training scheme	—	15,304
Parish of Ss Philip & James		
. Youth worker salary	<b>42,056</b>	—
Diocese of Westminster		
. Caritas Bakhita House running costs	<b>15,000</b>	100,000
Whiles Farm Trust		
. Noah's Camp 2019	<b>5,000</b>	15,000
Baytree Centre, Brixton		
. FATIMA project	<b>25,000</b>	—
. Peach Plus project	—	25,000
NOAH Enterprise		
. Bright Now campaign	<b>20,000</b>	56,059
Cardinal Hume Centre		
. Annual running costs	<b>25,000</b>	—
. Refurbishment project	—	25,000
Slough Winter Night Shelter		
. Purchase of Minibus	<b>25,000</b>	—
Nicholas Brakespear School		
. I T infrastructure	<b>20,000</b>	—
Catholic Truth society		
. Production of prayer book for use in prisons	<b>10,088</b>	—
St Thomas More Secondary School		
. Life skills kitchen, fittings and equipment	<b>15,000</b>	—
Wonder Foundation		
. Mentoring scheme & Awareness Workshops	<b>10,000</b>	10,000
CAFOD		
. 'Idai Appeal	<b>1,000</b>	20,000
Young Christian Workers		
. Annual running costs	<b>20,000</b>	—
Catholic Worker Farm		
. Annual running costs	<b>20,000</b>	—
Amber Trust (Little Amber)		
. Annual running costs	<b>25,000</b>	25,000
CELEBRATE		
. Training programme for young people	<b>7,500</b>	7,480
Sub-total carried forward	<b>285,644</b>	298,843

**9 Grants, donations and support of missionary work and ministry (continued)**

<b>Grants payable to other organisations</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Sub-total brought forward	<b>285,644</b>	298,843
St Vincent de Paul Society (SVP)		
. 1833 Apostolate Consultant salary	<b>10,000</b>	15,491
. John Bosco Summer Camp & equipment	—	17,055
Sion Catholic Community		
. Floor coverings	<b>12,306</b>	—
Women at the Well		
. Kings Cross refuge centre running costs	<b>25,000</b>	25,000
Crew Trust		
. Sponsoring "Breathe"/Baptism film	<b>4,000</b>	—
St Gabriel's House Pimlico		
. Refurbishment Project	<b>10,000</b>	—
Tiptree Youth Project		
. Christian Youth worker salary	<b>19,837</b>	—
Notre Dame de France		
. Festival running costs	<b>10,000</b>	—
Catholics for AIDS prevention		
. Consultant's salary	<b>37,500</b>	—
Centre for the Art of Dying Well		
. Director's salary	<b>39,822</b>	—
Soundabout		
. Music therapist for SN schools salary	<b>238</b>	20,238
St Joseph's Church		
. Laptops	<b>10,000</b>	—
Youth 2000		
. Operations Support Leader costs	<b>8,000</b>	20,000
The Holy Cross School, New Malden		
. Monstrance and ciborium	<b>500</b>	4,000
John Henry Newman Church		
. PC's and laptops	<b>15,000</b>	—
Pax Christi		
. Educational officer's salary	<b>40,000</b>	—
Pimlico Music Foundation		
. Annual running costs	<b>15,000</b>	—
CYMFed		
. Flame 2019	<b>25,000</b>	—
National Justice and Peace Network		
. Salary – Administrator	<b>19,000</b>	—
. Tech support	<b>6,000</b>	—
St Vincent's Family Project		
. Annual running costs	<b>25,000</b>	—
Roxeth Community Church		
. Salary – Youth Worker	<b>30,000</b>	—
. Pool table & laptop	<b>1,000</b>	—
St Thomas More Language College		
. Cookers	<b>2,820</b>	—
Sub-total carried forward	<b>651,667</b>	400,627

**9 Grants, donations and support of missionary work and ministry (continued)**

<b>Grants payable to other organisations</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Sub-total brought forward	<b>651,667</b>	400,627
Sound Connections		
. Annual running costs	<b>15,000</b>	—
CREW Trust		
. Baptism film	<b>10,000</b>	—
Uganda Piggery		
. Youth initiatives	<b>12,578</b>	—
Durham University		
. Bursary Fund	<b>20,000</b>	—
Beyond the Page		
. Salary – Cost Teaching Assistant/Sessional Facilitator	<b>25,000</b>	—
South Harrow Christian Fellowship		
. Salary – Outreach Coordinators	<b>25,000</b>	—
Brentwood Catholic Children's Services		
. Salary – Counsellor	<b>24,616</b>	—
Centre for Adults		
. Salary – Lead Family Support Worker	<b>13,592</b>	—
C2C Social Action Northampton		
. Salary – CEO	<b>22,776</b>	—
Quiet Garden Trust		
. Salary – Development Project Manager	<b>16,362</b>	—
London Catholic Worker		
. Counselling/Wellbeing activities	<b>20,000</b>	—
Workaid		
. Salary – Hub Supervisor/Fundraising & Comms Manager	<b>25,000</b>	—
Medaille Trust		
. Refurbishment of Safe House	<b>13,592</b>	—
Rise Theatre		
. Development of new portfolio	<b>24,975</b>	—
Cardinal Vaughan Memorial School		
. Extra-curricular study clubs	—	25,000
MHA Northwood 'Live At Home' Scheme		
. Activity Co-ordinator's salary	—	24,632
Our Lady & All Saints parish, Basildon		
. Summer camp HCPT subsidy	—	7,000
Ignite Trust, Harrow		
. Detached youth work project	—	22,112
St Joseph & St Clare parish, Aylesbury		
. Roof repairs	—	15,000
St Cuthbert Mayne Junior School		
. Replace IT server / laptops	—	10,000
Our Lady of Grace School		
. IT equipment	—	10,000
Hope for Southall Street Homeless		
. New Day Centre running costs	—	25,000
Sub-total carried forward	<b>920,158</b>	539,371

**9 Grants, donations and support of missionary work and ministry (continued)**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Grants payable to other organisations</b>		
Sub-total brought forward	<b>920,158</b>	539,371
St Bonaventure's School		
. Rome pilgrimage subsidy	—	975
ORCHYD		
. Respite holidays for disabled children	—	14,000
St Christopher's Fellowship		
. Life Skills Programme	—	25,000
Brentwood Catholic Children's Services		
. Counsellor's salary	—	24,616
Diocese of Westminster		
. Sycamore Version 2 Re-filming project	—	25,000
West London Mission		
. Seymour Place Day Centre running costs	—	25,000
Friends of the Holy Land		
. School of Joy running costs	—	25,000
St Michael's Catholic Grammar School		
. Part-time lay chaplain's salary	—	20,000
	<b>920,158</b>	<b>698,962</b>

**10 Governance costs**

	<b>Unrestricted</b>	
	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Legal and professional fees	<b>1,023,014</b>	311,901

The costs of £1,023,014 (2018 - £311,901) include solicitors' fees and related charges totalling £989,520 (2018 - £290,659) in connection with a dispute with Chalfont St Peter Parish Council (note 5).

# 11 Net expenditure for the year before investment gains

This is stated after charging:

	2019 £	2018 £
Staff costs (note 12)	2,625,828	2,481,502
Auditor's remuneration (including VAT)		
. Audit services – current year	24,824	26,942
. Audit services – prior year	—	(2,400)
. Other services: HR support	3,120	—
. Other services: advisory	1,740	—
Depreciation (note 15)	388,413	352,823

# 12 Staff costs and remuneration of key management personnel

	2019 £	2018 £
Staff costs during the year were as follows:		
Wages and salaries	2,188,819	2,061,533
Social security costs	207,393	196,889
Other pension costs	229,616	223,080
	2,625,828	2,481,502
Staff costs per function were as follows:		
Provision of education	2,419,880	2,327,499
Support of members of the Congregation and their ministry (note 8)	193,595	141,947
Grant administration (note 9)	12,353	12,056
	2,625,828	2,481,502

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2019 No.	2018 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1

The average number of employees during the year, calculated on average headcount basis and analysed by function, was as follows:

	2019 No.	2018 No.
Provision of education	68	66
Support of members of the Congregation and their ministry	10	8
Grant administration	1	1
	79	75

The trustees consider that they together with the Provincial Bursar and the Headteacher of Holy Cross Preparatory School, Kingston Hill (The Coombe) comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

## 12 Staff costs and remuneration of key management personnel (continued)

The total remuneration (including taxable benefits, employers' pension contributions and employers national insurance) of the key management personnel for the year was £109,189 (2018 - £111,757).

## 13 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2018 - £nil).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £97,863 (2018 - £138,168).

During the year £500 (2018 - £4,000) was paid to The Holy Cross School, a charity in which Sister Margaret Donovan is a trustee.

## 14 Taxation

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

## 15 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment	Motor vehicles	Total
	Specialised £	Non-specialised £	£	£	£
<b>Cost or valuation</b>					
At 1 September 2018	12,447,767	698,565	957,108	105,841	<b>14,209,281</b>
Additions	1,281,630	—	9,404	—	<b>1,291,034</b>
Disposals	—	—	—	—	<b>—</b>
At 31 August 2019	<b>13,729,397</b>	<b>698,565</b>	<b>966,512</b>	<b>105,841</b>	<b>15,500,315</b>
At cost	10,979,397	183,565	966,512	105,841	<b>12,235,315</b>
At deemed cost based on 1993 valuation	2,750,000	515,000	—	—	<b>3,265,000</b>
	<b>13,729,397</b>	<b>698,565</b>	<b>966,512</b>	<b>105,841</b>	<b>15,500,315</b>
<b>Depreciation</b>					
At 1 September 2018	3,214,900	—	888,318	99,461	<b>4,202,679</b>
Charge for the year	335,676	—	50,612	2,125	<b>388,413</b>
At 31 August 2019	<b>3,550,576</b>	<b>—</b>	<b>938,929</b>	<b>101,587</b>	<b>4,591,092</b>
<b>Net book values</b>					
At 31 August 2019	<b>10,178,821</b>	<b>698,565</b>	<b>27,583</b>	<b>4,254</b>	<b>10,909,223</b>
At 31 August 2018	<b>9,232,866</b>	<b>698,565</b>	<b>68,790</b>	<b>6,381</b>	<b>10,006,602</b>

## 15 Tangible fixed assets (continued)

The book value of certain of the non-specialised land and buildings (i.e. the land and buildings owned at 31 August 1993) is stated at a trustees' valuation made in 1993 based on market value for existing use. The book value of certain of the specialised land and buildings (i.e. the land and buildings owned at 31 August 1993) is stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional arrangements set out in FRS 102 these values are deemed to be equal to cost. Additions to all land and buildings since 1993 are stated at cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

## 16 Investments

	2019 £	2018 £
<b>Listed investments</b>		
Market value at 1 September 2018	36,062,693	35,338,581
Additions at cost	3,614,749	3,735,315
Disposals at book value (proceeds:£3,602,578; realised gains: £81,578)	(3,521,000)	(3,584,976)
Net unrealised gains	720,898	573,773
Market value at 31 August 2019	36,877,340	36,062,693
<b>Cash held by investment managers for re-investment</b>	649,793	745,576
	37,527,133	36,808,269
<b>Cost of listed investments at 31 August 2019</b>	32,934,010	32,894,663

Listed investments held at 31 August 2019 comprised the following:

	2019 £	2018 £
UK charity authorised investment funds (common investment funds)	12,473,839	12,044,473
UK equities	10,190,103	9,985,933
UK unit trust	9,180,273	8,912,998
Overseas equities	5,033,125	5,119,289
	36,877,340	36,062,693

## 16 Investments (continued)

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

At 31 August 2019, listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
Charishare restricted distribution units	4,234,799	11%
Charinco distribution units	2,409,576	6%
Sarasin Endowments income units	12,373,839	33%

## 17 Debtors

	2019 £	2018 £
School fees and related charges	7,273	1,000
Investment income receivable	182,467	189,025
Prepayments and accrued income	104,011	82,460
	<b>293,751</b>	<b>272,485</b>

## 18 Creditors: amounts falling due within one year

	2019 £	2018 £
Expense creditors and accruals	232,212	256,701
Additions to tangible fixed assets	97,987	—
Social security and other taxes	76,992	71,722
School entrance deposits	32,800	29,650
Tuition fees received in advance	208,631	235,387
Grants payable	202,756	104,960
	<b>851,378</b>	<b>698,420</b>

## 19 Creditors: amounts falling due after more than one year

	2019 £	2018 £
School entrance deposits	242,850	231,950



## 20 Restricted funds

	2019 £	2018 £
<b>Sports pitch and pavilion fund</b>		
At 1 September 2018	80,000	—
Income	179,846	80,000
Transfer to tangible fixed assets fund	(259,846)	—
At 31 August 2019	—	80,000

The sports pitch and pavilion fund comprised monies to be applied towards the cost of a sports pavilion and sports pitch at Holy Cross Preparatory School, Kingston Hill. During 2019, the sports pavilion and pitch were constructed and the monies received in both 2018 and 2019 were applied towards the cost. As a consequence, the restricted funds have been transferred to the school fund (note 22).

## 21 Tangible fixed assets fund

	2019 £	2018 £
At 1 September 2018	3,353,092	3,412,565
Movement in year	(65,834)	(59,473)
At 31 August 2019	3,287,258	3,353,092

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets excluding those designated as part of the school fund (note 21). A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

## 22 Designated funds

The unrestricted funds of the charity include the following funds set aside for specific purposes.

	At 1 September 2018 £	New designations £	Utilised/ released £	At 31 August 2019 £
School fund	6,885,973	441,203	—	7,327,176
Retirement reserve	6,200,000	—	—	6,200,000
Grants fund	24,500,000	—	—	24,500,000
	37,585,973	441,203	—	38,027,176

## 22 Designated funds (continued)

	At 1 September 2017 £	New designations £	Utilised/ released £	At 31 August 2018 £
School fund	6,588,264	297,709	—	<b>6,885,973</b>
Retirement reserve	6,200,000	—	—	<b>6,200,000</b>
Grants fund	24,500,000	—	—	<b>24,500,000</b>
	<b>37,288,264</b>	<b>297,709</b>	<b>—</b>	<b>37,585,973</b>

### ♦ School fund

The school fund represents unrestricted funds at The Holy Cross Preparatory School, which are designated by the trustees for the School's use only.

### ♦ Retirement reserve

This fund consists of monies set aside by the trustees to provide for the future costs of providing nursing and care costs to elderly sisters and also to provide for sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 17 sisters.

### ♦ Grants fund

This fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust.

## 23 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds			Total 2019 £
		Tangible fixed assets fund £	Designated funds £	General funds £	
<b>Fund balances at 31 August 2019 are represented by:</b>					
Tangible fixed assets	—	3,287,258	7,621,965	—	10,909,223
Fixed asset investments	—	—	37,527,133	—	37,527,133
Net current assets	—	—	(6,879,072)	7,380,347	501,275
Creditors: amounts falling due after more than one year	—	—	(242,850)	—	(242,850)
	<b>—</b>	<b>3,287,258</b>	<b>38,027,176</b>	<b>7,380,347</b>	<b>48,694,781</b>

## 23 Analysis of net assets between funds (continued)

	Restricted funds £	Unrestricted funds			Total 2018 £
		Tangible fixed assets fund £	Designated funds £	General funds £	
<b>Fund balances at 31 August 2018 are represented by:</b>					
Tangible fixed assets	—	3,353,092	6,653,510	—	<b>10,006,602</b>
Fixed asset investments	—	—	36,808,269	—	<b>36,808,269</b>
Net current assets	80,000	—	(5,643,853)	7,292,796	<b>1,728,943</b>
Creditors: amounts falling due after more than one year	—	—	(231,950)	—	<b>(231,950)</b>
	<b>80,000</b>	<b>3,353,092</b>	<b>37,585,976</b>	<b>7,292,796</b>	<b>48,311,864</b>

## 24 Pension commitments

The Congregation's independent school, The Holy Cross Preparatory School, is a member of the Teachers' Pension Scheme (TPS), a defined benefit pension scheme.

### *Teachers' Pension Scheme (TPS)*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The charity is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out above the information available on the plan and the implications for the School in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

## 24 Pension commitments (continued)

### ***Teachers' Pension Scheme (TPS) (continued)***

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £196,496 (2018 - £194,239).

## 25 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the English Province of the Sisters of the Holy Cross by virtue of the fact that the Provincial Superior of the Congregation appoints all of the trustees.