

**Handmaids
of the Sacred
Heart of Jesus
(Regents Park,
London and
Christchurch, Hants)
Charitable Trust**



Registered Charity

Number 221319

Annual Report and Accounts

31 August 2019

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Reference and administrative details of the Charity, its Trustees and advisers

Trustees	Sister Eileen O'Neill Sister Noella Pereira Sister Marta Silva Sister Ana Maria Horta Correia Ramirez Sister Anne Petit
Sister Provincial	Sister Ana Maria Horta Correia Ramirez
Provincial Bursar	Sister Marta Silva
Address	25 Saint Edmund's Terrace St John's Wood London NW8 7PY
Charity registration number	221319
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 106 Finchley Road London NW3 5JN Barclays Bank plc 40 Wellington Road St John's Wood London NW8 9TJ Lloyds Bank plc 4 Castle Street Christchurch Dorset BH23 1DU

Reference and administrative details of the Charity, its Trustees and advisers

Bankers (continued)

Barclays Bank plc
Beckenham South
167 High Street
Market Square
Bromley
BR1 1NI

Epworth Investment Management Limited
70 St George's Square
London
SW1V 3RD

Santander UK plc
100 Ludgate Hill
London
EC4M 7NJ

Investment managers

Charles Stanley Asset Management
25 Luke Street
London
EC2A 4AR

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Tyndall Investment Manager
5-8 The Sanctuary
London
SW1P 3JS

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Pothecary Witham Weld
70 St George's Square
London
SW1V 3RD

Trustees' report 31 August 2019

The Trustees present the report and accounts of the Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) 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 34 to 40 of the attached accounts and comply with the Charity's trust deed, applicable laws and the requirements of 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).

The Charity is governed by a trust deed dated 2 July 1938 and is registered under the Charities Act 2011 (Charity Registration No 221319). The Trustees are incorporated under the name of 'The Trustees of the Handmaids of the Sacred Heart of Jesus'.

CONSTITUTION

The Handmaids of the Sacred Heart of Jesus (the 'Congregation') is a Roman Catholic religious congregation founded in Spain in 1877, with the aim of promoting peace and reconciliation and of providing education at all levels. It is an international congregation with communities in four continents: Europe, Africa, North and South America and Asia.

HISTORY

The Congregation was founded in Spain, in 1877, and soon expanded throughout Spain, Rome and South America. The first house outside Spain was opened in England, in 1910, in Upper Belgrave Street, London. Here the Sisters ran a club providing formation for working girls and offered monthly retreats. In 1937 this Community was transferred to 8 Avenue Road NW8 and in 1980 to 25 Saint Edmund's Terrace NW8.

The Congregation's first school in the UK was opened in 1921, in Englefield Green, Surrey, and has had a chequered history: being transferred to Highcliffe-on-Sea, in Hampshire, in 1955 and expanding to include a secondary school. Later, in 1971, it merged with another Convent in Boscombe in order to form a larger school. In 1983, responding to the request of the Bishops, it merged with St Peter's De la Salle Boy's Independent School and Iford Secondary Modern School to form a large Comprehensive School. The Sisters remained teaching in that school until 1986. The Community had moved to a small house in Southbourne, Hampshire, returning to Boscombe in 2005.

In 1936, the Congregation established an Independent Day and Boarding School for 5 to 18 year old girls in Beckenham, Kent. In 1968, the primary department closed and St Mary's State Primary School was built on land belonging to the Sister's Convent. In 1987 Beckenham Convent Secondary School was closed and a new Community was opened in Village Way, Beckenham. This community closed in 2016. In 1999 the Trustees transferred St Mary's Primary School to the control of the Diocese while remaining the ultimate owners of the land and buildings, and participating on the school's Board of Governors.

HISTORY (continued)

Between 1973 and 1984 the Handmaids of the Sacred Heart of Jesus had a small community in Rotherham, Yorkshire, and between 1987 and 1999, a parish community in Glasgow.

Saint Christina's School was founded in 1949 as an Independent Catholic school in the Archdiocese of Westminster. Since then, the school has grown considerably and continues to flourish, always seeking to meet the needs of pupils in an ever-changing world.

In 1957 the Congregation expanded to Ireland and opened a retreat house in Finglas, in the north of Dublin. In 1966 a University Residence was opened in the South of Dublin in Avoca Avenue, Blackrock. When, in 1971, at the request of the Archbishop, the Sisters took over the management of a primary and a secondary school in Stillorgan, in the south of Dublin, the University residence was also transferred there. While the whole school campus in the South of Ireland continues to flourish, the retreat house in Finglas was sold in 1996 and most of the resulting funds were donated to the English charity in 2012.

In 2014, the Congregation began a new chapter of its history in England, with the establishment of the Atlantic Europe Province, in order to respond to the challenge of a New Evangelization of Europe. The Canonical union took place on 1 January 2014 but it has had no impact on the scope and governance of the Charity itself. The Province includes the communities and apostolic works in the United Kingdom, Ireland, Portugal and France.



Province Assembly – Palmela – October 2015

OBJECTIVES AND ACTIVITIES

Mission and policies

The Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust aims to sustain the religious, social and cultural works carried on by the Congregation; to support and care for the elderly members of the Congregation who have given many years of their life to the service of education or pastoral work; and to prepare and form its younger members, so they will be able to carry on the works of the Congregation in the years to come.

OBJECTIVES AND ACTIVITIES (continued)

Mission and policies (continued)

When setting the objectives and planning the work of the Charity for the year, and when supporting the work of individual Sisters, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The works of the Charity can be defined under the following main areas:

◆ Education

The educational work carried out by the Charity in both school and parish ministry includes proclaiming the gospel, helping people to grow in faith, both as individuals and as members of a community, promoting human development, and entering into dialogue with those of different religious beliefs and cultural backgrounds. Further, it includes collaborating and networking in the promotion of reconciliation and peace, social justice and the care of the earth, with a strong emphasis on reconciliation.

As stated before, the Charity owns the land and buildings of St Mary's Primary School, Beckenham, Kent. It is now run by the Diocese of Southwark. One of the Sisters is a member of the Governing Body and some others have regular contact with the school. The Trustees nominate three members of the Governing Body, one of whom at present is a Sister.

Several improvements have been made to the school building with the approval of the Trustees. St Mary's continues to be an excellent school with a very high standard of education achieving a top ten position in national league tables. The Trustees are delighted that their response to the need they saw in 1968 for a state school in that area has had such a successful outcome. They also witness the Mission of the Congregation, i.e. reconciliation and understanding between nations, being fulfilled as the number of nationalities and cultures increases in the school.

The Charity owns and operates Saint Christina's Preparatory School (the school) in London which educates children between the ages of 3 and 11.

Saint Christina's continues to maintain a high standard of excellence, providing Catholic education, following the National Curriculum, together with extracurricular activities such as speech and drama, art, sport, Irish dancing and musical instruments.

The school community is international, with families from many different countries and religions. This builds up understanding and appreciation of other cultures and beliefs, and supports our working for unity between peoples as is stated in the school's Mission Statement:

"We respect diversity and individuality. We seek to excel in all that we do treating everybody like sister and brother. We learn tolerance and cooperation embracing people from every nation".

The Trustees consider this to be an important part of the Congregation's Charism of Reconciliation.

OBJECTIVES AND ACTIVITIES (continued)

Mission and policies (continued)

◆ Education (continued)

Three of the Trustees are part of the Governing Body of Saint Christina's Preparatory school. Two Trustees who live in the Convent adjacent to the school are in constant contact and know and interact with the children, staff and parents.

Conscious of the Health and Safety issues and wishing the best for the welfare of the children, the Trustees have permitted the use of the Convent's kitchen by the school's kitchen team. This has improved significantly cooking conditions on campus.

The school premises have always been available to the local community and it is the intention that this continues. At present the premises are used on a regular basis by drama groups, the Pioneer Association and others. A voluntary contribution is requested to cover the cost of heating, lighting and cleaning when these groups can afford it.

◆ Social and pastoral work

Several members of the Congregation are involved in community and parish based programmes in Great Britain. These include working in counselling, visiting the elderly, sick and dying.

In London and in Bournemouth, the Sisters prepare children for the sacraments, guide groups of prayer and provide spiritual education.

Another Sister regularly gives talks and workshops in Great Britain and abroad.

◆ Grants and donations

The Handmaids of the Sacred Heart of Jesus in England is part of an international Congregation with communities in 23 countries.

The Trustees are aware of their obligation to assist the Sisters' mission in third world countries and, for this purpose, a contribution is sent each year to the Congregation's general fund in Rome. The Mission Fund reflects this engagement, being ready to respond to any necessity brought to the Trustees from the Congregation in other countries.

Within the Atlantic Europe Province, a preferential commitment with Fundção Santa Rafaela Maria consubstantiates the support given to projects aligned with our values and charisma.

Grants and donations are decided upon by the Trustees after having consulted other members of the Congregation.

The Trustees also continue to give some financial support to organisations within Great Britain whose work is consistent with the objects of the Charity such as CAFOD (the official aid agency of the Catholic Church in England and Wales and part of Caritas International), ShareAction, and Avaaz Foundation.

OBJECTIVES AND ACTIVITIES (continued)

Care of the elderly

The Charity actively supports the aims of the legislation to provide quality care for the elderly. To achieve this objective, we carefully ensure that our elderly and sick Sisters are cared for lovingly and efficiently and, as much as possible, within their own communities, or "homes". During the year, three Sisters in the London community benefitted from twenty-four hour care.

The Trustees' policy to keep the Sisters in their care at home as long as possible is only changed to outside care if their condition deteriorates to such a degree that the proper care can no longer be provided at home.

Safeguarding

All Sisters who are involved with children or vulnerable adults have an up to date Disclosure and Barring Service (DBS) check. The Sister in charge of the elderly attends regular courses on the safeguarding of vulnerable adults and on all aspects of health and safety.

Formation of younger Sisters

Prior to joining the Congregation, those younger Sisters who are now in formation, had finished their school and university education and some had professional careers. However, their formation as Religious Sisters, and their experience of the mission in the Congregation takes several more years to acquire. During 2018/19, the Atlantic Europe Province had 15 Sisters at different stages of the Handmaid's Formation Program:

- ◆ Three postulants and one novice in Palmela, Portugal, who made her first vows in August 2019 and transited to Madrid, in Spain, for the following year;
- ◆ Two juniors in Madrid, Spain. The Sisters continue their studies in Universidad de Comillas. One of the Sisters finished her studies in Theology and started her apostolic work in Paris during the Summer of 2019;
- ◆ Another group of five juniors in Paris, France, studying in Centre Sèvres Comillas. One of the Sisters finished her studies in Theology and started her apostolic work in Paris during the Summer of 2019;
- ◆ Two Sisters working before their final vows, one in Bournemouth and the other in Oporto; and
- ◆ Two sisters who were in their final phase of spiritual formation in Rome, in a period known as "Third Probation", have finished their very long and initial formation and have made their Perpetual Profession.



OBJECTIVES AND ACTIVITIES (continued)

Formation of younger Sisters (continued)

It is expected that, from this large group, a significant number will spend most of their years dedicated to apostolic and social work in England, hopefully giving a new impetus and vibrancy to the mission of the Charity.

Fundraising policy

The Charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The Charity 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.

ACHIEVEMENTS AND PERFORMANCE

Education

The Governing Body meets at the end of every term, where policies are ratified, compliance issues addressed, initiatives discussed, and decisions made. The sub committees, consisting of Finance and General Purposes, Health and Safety and Curriculum and Welfare, also meet termly and provide additional forums for monitoring and oversight. Each term, different staff members report on their areas of responsibility. These sub committees report termly to the full Governing Body and decide, in conjunction with the trustees and the Senior Leadership Team, upon key priorities for moving forward.

The School Council continues to meet twice every half term to discuss ideas and initiatives for the school and to ensure that the pupil voice is heard. Minutes are taken and actions follow meetings to ensure that matters discussed are fully considered and, where possible, implemented. A new Year 6 and Reception Buddy System has been developed allowing the youngest children to engage in activities with the oldest. Year 5 pupils enjoyed a new prefect training course in the Summer Term in order to prepare for taking on leadership positions in Year 6. Our pupil 'head teachers for the day' were invited to meet with the Chair of the PTA in order to decide on material decisions regarding the improvement of the EYFS outdoor learning area.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

The main strategic focus for the School currently follows the decision by the Governing Body to extend co-education to all children aged three to eleven. In light of this decision, and to further the strategy, it is hoped to pursue the development of new classes above the Reception and Nursery area (having already obtained planning permission from Westminster City Council) to accommodate the allied ambition to go to two-form entry. In line with this decision, the School conducted a complete curriculum review ready for implementation in September 2019. The over-arching strategic objectives of the review were to ensure:

1. **The right elements and balance** within the curriculum provision.
2. **A strong core:** the children should be well-taught and gain a strong mastery of the core elements of the subject material they are covering and be comfortably ready for secondary school by the end of Year 6.
3. **Ambition and stretch:** we should implement a curriculum that is ambitious for all the children who attend Saint Christina's in its design and content. Stretch should be for every child, taking them well beyond the 'expected' for a particular age range.
4. **Flair and innovation:** we should be creative and imaginative in the design of each curriculum area giving pupils a love of learning because it is fun, fulfilling and inspiring.

This translated to decisions to ensure the curriculum included the following emphases:

- ◆ Strong core for gateway subjects (English / Maths).
- ◆ Specialist Science and Technology: developing 'science' to include 'technology' and therefore placing an emphasis on ensuring content that leans towards physics and engineering are included within the curriculum.
- ◆ Computer Science: an emphasis on complex areas of ICT such as coding and 'ICT' increasingly absorbed into mainstream teaching.
- ◆ Increased time for languages.
- ◆ Specialist sports coaching: we are already employing two specialist teachers alongside our PE provision. We have a very large fixtures programme and cup competition involvement. We are the current netball league champions.
- ◆ Arts: a strong focus on Art and Design and Music.
- ◆ Proper time for Humanities, ensuring these are not seen as just a bolt on.
- ◆ Emphasis on the application of knowledge, for example that Maths works in Science or Geography exactly as it works in Maths!

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Teaching and learning continued to be a core focus as seen within the Curriculum Review. Collins Busy Ant Maths was introduced in September 2018 and has proved to be popular as it includes helpful electronic resources and challenge materials. The English Curriculum was reviewed to increase greater stretch and allow for better demonstration of progress through the creation of clear Assessment Objectives. An increased emphasis on STEM related activities has been implemented through STEM clubs and Science teaching and the purchasing of new technology to allow for the application of coding and the development of an engineering mind-set.

Aside from the main curriculum, we have added new elements to our provision of our overarching philosophy of Intellectual Curiosity. To this end, we are introducing a range of initiatives to engage all children in learning well beyond the curriculum, not just those who might be identified as gifted and talented. It is our belief that we all have potential and that we all need to be inspired and enthused during our time in school. Staff have been considering what we might do within this programme and current ideas include:

- ◆ **Challenges:** mastering the Rubik's Cube; learning Pi to as many decimal points as possible, puzzle challenges, and poetry writing;
- ◆ **Projects:** Formula 1 in Schools and launching a space programme;
- ◆ **Competitions:** robotics and AI design; and
- ◆ **Forest School:** 2018-19 saw the development of a new strand to our EYFS provision in the form of Forest School. The aim of Forest School is to work in the outdoors over a period of time, introducing responsible risk-taking, fostering achievement and cultivating a curiosity and interest in the world around the children.

A new Marketing Plan has been developed to complement the changes in the School that ultimately aims to ensure that the emphasis on full co-education, STEM, Intellectual Curiosity and the development of 'growing' the whole child.

The key strategic objectives for marketing (as formulated in November 2018) were:

1. To increase pupil numbers;
2. To establish Saint Christina's as an age three to eleven fully co-educational school; and
3. To project a positive narrative about the quality of the education and experience of children within the School.

The ways in which we have met these objectives over this year are:

- ◆ **Meet the New Headmaster Evening:** This was held on 18 September 2018. A number of governors were in attendance.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

- ◆ **Coffee Mornings for Parents:** We have organised and run coffee mornings through the year for all years providing a formally informal venue for parents and staff.
- ◆ **New branding and website:** The new website has been completed and delivered by FSE which is now live and fully operational. Additionally new signage for the School has been designed. A new prospectus is in development with packs for parents and prospective parents and booklets focusing on subject areas such as Music, Mathematics and English that show parents what they might expect their child to cover and achieve at any point between Year 1 and Year 6.
- ◆ **The Weekly Bulletin:** The weekly bulletin has been greatly appreciated by parents over the year as it includes a variety of engaging articles, pictures and feedback as well as feeding into the School's narrative on topical issues e.g. achievement in Maths, STEM etc.
- ◆ **Professional Photographer:** Simon Jones came into school on 17 October 2018 to take a fresh set of photos that have been extensively used not only on the new website, but on the School's Facebook and Twitter feeds. They have also adorned the CISC annual meeting brochure, a variety of educational magazines and various other publications.
- ◆ **Development of the use of Social Media to project the day-to-day narrative:** Our vibrant, neat and compact Facebook and Twitter feed has received very positive feedback from parents and professionals within the industry.

The Critical Incident Plan and Policy formulated in Autumn 2018 to include Emergency Lockdown Procedures is being embedded and refined. In addition, Saint Christina's has introduced a new Data Protection Policy, in light of GDPR, and has completed an audit of current practice and delivered training for all staff in addition to the Head and Bursar's specialist training.

As part of our commitment to providing ongoing professional development many courses were attended by our staff including First Aid training, safeguarding training, Early Excellence and Forest School training.

We have continued to place a premium on both enrichment and the 'hidden' curriculum with the following activities: Class assemblies; Instrumental assemblies; The Life Bus; Visits to London Zoo and many London Museums including the Victoria and Albert Museum, Museum of Brands, the Geffrye Museum, The Ragged School Museum, Natural History Museum, Florence Nightingale Museum. Visits further afield included Hampton Court Palace, Kew Gardens, Verulamium Roman Museum, the Trust for Sustainable Living Rainforest Tour, Roald Dahl Museum and Willows Activity Farm. Our musicians attended a bright spark concert, Gamelan Workshop, a classical roadshow at Cadogan Hall and an LSO concert. This year our Year 5 and Year 6 students went on our first residential trip abroad, enjoying a week at PGL in France. We are currently planning a Netball tour to Paris for 2020.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

One of our most exciting events was our Space Launch. The Year 6 cohort was challenged, as part of the launch of our Intellectual Curiosity and STEM initiatives, and to celebrate our 70th anniversary, to build a spacecraft that could travel to edge of the earth's atmosphere and take a photograph of the earth hanging in space with the school's emblem in the foreground. This was achieved in June with the whole School partaking in a themed Space Day to complement the launch. Pupils enjoyed interacting with a live feed to the launch site and the craft travelled to the very edge of the earth's atmosphere as planned, before returning back to terra firma.

There was a new initiative where the whole School was challenged to learn about and try to memorise Pi to as many decimal places as possible. In Reception, children used craft to understand the numbers and one child achieved nine decimal places. In other Year Groups, Pi was explored within various Mathematical activities. A significant number of children memorised Pi to over 40 decimal places with three achieving more than 90 and one 107.

The School has continued to stretch and encourage children to develop their mathematical understanding. Over the course of the year, the children have entered the Primary, Junior and Intermediate Maths challenges with several children certificating at the top end of the competitions. In both competitions, our primary aged children achieved bronze and silver certification - an outstanding outcome placing some of our ten to eleven year olds amongst the very best at both Key Stage 3 and, in the case of the Intermediate Challenge, the very best of those of GCSE age.

Music and Drama have continued to flourish with successes in the Associated Board of the Royal Schools of Music (ABRSM) and London Academy of Music and Dramatic Art (LAMDA) examinations. All children have had the opportunity to perform within a designated class assembly. Year 6 presented their version of Christ's Passion at Easter, and much of the School was involved in the School Musical Production in the Summer Term, which was "Singin' in the Rain" this year.

The sporting life of Saint Christina's has continued to flourish and Saint Christina's has won the area netball league for the second year running. There has been a greater emphasis on inclusion and opportunity to allow for a greater number of children to be involved in competitive sport. The School entered the IAPS regional qualifiers and Saint Christina's also entered the London Youth Games and has achieved representation in a number of prestigious competitions.

Year 6 pupils performed well in terms of academic progress which reflected in the outstanding quality of Secondary School places and Academic Scholarships offered. Places were offered at: Ampleforth College, Belmont, Benenden, Brighton College, Charterhouse, Cheltenham Ladies College, Francis Holland, Godolphin and Latymer, Handcross Park, More House, Northbridge House, Portland Place, Queen's College, Queensgate, Royal High School, Bath, Royal Masonic School, St Augustine's Priory, St Benedict's, St Helens, St Mary's Ascot, St Michael's Grammar and Walhampton Prep School.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

An outstanding 13 Scholarships were offered to this cohort of 16 pupils: Ampleforth (Academic, Choral, Music), Royal Masonic (Academic, Drama, Music), Queen's College (Academic), Royal High School, Bath (Academic, Drama), Queensgate (Music, Sports), Portland Place (Sports), St Augustine's Priory (Sports). Places were accepted at:

- ◆ Ampleforth College
- ◆ Charterhouse
- ◆ Godolphin and Latymer
- ◆ More House
- ◆ Northbridge House
- ◆ Queen's College
- ◆ Queensgate
- ◆ St Augustine's Priory
- ◆ St Mary's Ascot
- ◆ St Michael's Grammar
- ◆ Walhampton Prep

Fundraising and involvement in the community

Saint Christina's School does not fundraise for the School, but encourages the children to choose and raise money for other worthwhile charities, which are often local or Catholic charities.

Saint Christina's raised money for many charities during the year including:

- ◆ The children's anti-bullying charity, 'Kidscape'
- ◆ The Malala Foundation
- ◆ Poppy appeal
- ◆ Brain tumour research
- ◆ Christmas Carol Concert and Nativities for 'Providence Row', a local homeless charity

Our biggest fundraising initiative was to raise money to help alleviate the effects of severe flooding in Kerala.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Religious education

We are obliged as a Catholic School in the Diocese of Westminster to have 10% of the curriculum devoted to Religious Education. The School was inspected by the Westminster Diocese on 6 October 2017. They graded classroom religious education as good and the Catholic life of the school as outstanding. The inspectors acknowledged that there is a great deal of excellent practice in the School. The following quotes are taken from the report:

- ◆ *“A major strength of the teaching provision is the cross-curricular approach, involving areas such as art, drama, music and the use of new technologies.”*
- ◆ *“Pupils are very happy and secure at St Christina's. They flourish, both academically and in their personal development. They understand why it is important to help others, especially those worse off than themselves. They contribute very well to the Common Good, locally, nationally and internationally.”*

Social and pastoral work

The Sisters have continued their many pastoral and social activities both in the London and Boscombe communities, as well as at the Provincial level.

During the year, they continued to assist the ACI Family by hosting faith groups of children and adults, assisting with the liturgy, and coordinating with Saint Christina's Preparatory, Corpus Christi and Thomas Garnett's Schools, as well with the corresponding with the parishes. The Sisters have prepared dozens of children for the Sacraments, namely for First Holy Communion.

The Sisters are involved in the work of UCN and the Sanctuary Movement in Boscombe, Bournemouth and Poole, collaborating on the integration of immigrants. In London, the community hosted an Asylum Seeker event in collaboration with the Jesuit Refugee Service Centre. The younger Sisters have participated in Portuguese summer camps with children from disadvantaged backgrounds. Some of the Sisters also provide individual Spiritual Direction and give retreats.

In Boscombe, a Sister became a volunteer with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust Chaplaincy. Her role began in December 2018 when she was integrated into a team where different Denominations and Faith Groups are represented, which brings not only a huge enrichment within the team, but also to the people visited, offering a support from different religious backgrounds.



ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

In April 2019, the possibility arose to receive specific training to accompany people in need of end of life care and therefore, "End of Life Companions" was integrated into the team. After receiving the training, one Sister was chosen as a dedicated person to accompanying people in the local Macmillan Hospice, which is part of Royal Bournemouth, and Christchurch Hospitals delivering Specialist End of Life care to local people. Since May 2019, she has been giving special attention to those who are in End of Life Care, as well as their families. Her role in giving spiritual support is about presence, listening, prayer and accompanying the person where she/he is.



Grants and donations

Making effective the Charity's commitment to the Fundação Santa Rafaela Maria in 2017/18, the Trustees visited Quinta da Fonte da Prata, in Moita, Portugal, where the Fundação intends to restore an important building that the local Town Hall has ceded to the Fundação's activities. Given how perfectly the goals of this project match the objectives of the Charity, the Trustees had agreed to make a donation of €100,000 when the works begin.

Because of several bureaucratic difficulties, the project was only ready in June 2019, and a first tranche of £40,000 of the agreed donation has been released.



ACHIEVEMENTS AND PERFORMANCE (continued)

Formation of younger Sisters

The year has been particularly strong with respect to the initial formation of the Sisters, with a high number of young women changing phases and committing with vows:

- ◆ Three girls joined the Postulancy: two in September 2018 and a third one in February 2019. This stage is a time of discernment, on the part of the person and the Congregation, before admission to the Congregation. The Postulants live in a community, participate in its ministries and, at the same time, have the opportunity to seriously consider God's call, her Christian life experiences, and get to know the Congregation, its Spirituality and its Charisma.



- ◆ In August 2019, one novice completed her special time to grow in a deeper knowledge of the Gospel and to deepen her experience of God's love and the desire to give oneself completely to God in the Congregation, in order to share in its life and mission. She consecrated herself to God through her Temporary Profession of the vows of celibacy, poverty and obedience, for a period of three years. During the ceremony, accompanied by all her family and friends, she received the Constitutions and the Cross she'll wear as a distinctive sign of consecration.



- ◆ After her vows, she joined the Juniorate in Madrid, where another girl already pursues the study of Theology in the Universidad de Comillas. Another group of five Sisters were studying in Paris, in Centre Sèvres. Around June 2019, two other Sisters completed their studies and started another phase, more practical, taking part of the apostolic work.



- ◆ August 2019 was the occasion to formally renew their vows for three years: three Sisters renewed them for the first time (having professed in August 2016) and another two Sisters renewed it for the second time (having finished their Noviciate in August 2013). These two more experienced Sisters are already dedicated full time to social and pastoral work in Boscombe. One of the renewals happened in Christ Church Parish and has been a celebration of joy for the entire community. Many people pointed out the fact that it was the first ceremony of the kind for over forty years!



ACHIEVEMENTS AND PERFORMANCE (continued)

Formation of younger Sisters (continued)

- ◆ The two sisters that were in their final phase of spiritual formation in Rome, in a period known as "Third Probation", have finished their very long and initial formation and made their Perpetual Profession in December 2018. In this ceremony, they are accepted in the Body of the Institute in the touching ritual of the embrace of each of the Sisters.



FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 31 of the attached accounts.

Total income for the year to 31 August 2019 amounted to £2,723,962 compared to £2,859,492 in 2018. Expenditure during the year totalled £2,669,037 (2018 - £2,816,499).

The Charity's income includes £2,154,560 (2018 - £2,336,810) being the fees and charges of Saint Christina's Preparatory School, £443,609 (2018 - £411,668) being income from investments and interest receivable and £75,621 (2018 - £64,634) being donations and legacies. Expenditure includes £2,165,221 (2018 - £2,287,886) relating to the school.

Net gains on investment assets of £162,193 (2018 - £326,973) resulted in a net increase in funds for the year of £217,118 (2018 - £369,966). Total funds carried forward at 31 August 2019 were £19,037,580 (brought forward at 1 September 2018 - £18,820,462).

Reserves policy and financial position

Reserves policy

The Trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets and programme related investments; designated for specific purposes; or otherwise committed.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Reserves policy (continued)

The Trustees are very aware of the importance of the annual income generated by the Charity's investments to ensuring that there are sufficient incoming resources each year to support the members of the Congregation and their ministry, both now and in the long term. In order to meet the commitment to care for the Sisters, to provide for contingencies and enable the Charity to respond to unforeseen emergencies, the Trustees believe that free reserves of the Charity of up to £2.5 million may be held at any one time.

Given the challenges that will arise in the short to medium term as a result of Covid-19 (see below), this level of reserves is deemed appropriate and the trustees are content that the charity is a going concern.

Financial position

The balance sheet shows total reserves of £19,037,580 (2018 - £18,820,462). Of this, £5,189,868 (2018 - £5,373,456) represents the tangible fixed assets used in the day-to-day work at the Charity. These assets have been separated from the Charity's general fund in recognition of the fact that they are fundamental to the Charity's work. They therefore cannot be easily realised if needed to meet future contingencies.

£516,510 (2018 - £516,510) represents the programme related investment fund. This investment comprises land and buildings owned by the Charity but used by another charitable organisation with charitable objectives consistent with those of the Charity together with interest free loans advanced to organisations with objects consistent with those of the Charity. The value of these programme related investments should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

During the year to 31 August 2018, the Charity advanced an interest free loan to Casa Velha Association - Ecology and Spirituality, an institution of Catholic identity, whose mission is to contribute to Human Development in rural areas, through welcoming, simple living, contact with nature, community work and prayer.

The loan, which constitutes a programme related investment, is to support the following aims:

1. Reconstruction works for some buildings located in Quinta da Casa Velha, with a view to the construction of a new shelter ("Novo Albergue");
2. Development of some agricultural infrastructure; and
3. Promotion and creation of new activities



FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position (continued)

At 31 August 2019, the Charity did not hold any restricted funds as these had all been spent in the year (2018 - £3,664). Further details are given in note 16 to the accounts.

The Saint Christina's Preparatory School designated fund of £1,598,756 (2018 - £1,378,294) represents the accumulated surplus of income over expenditure of the school excluding the restricted monies referred to above. These monies have been designated, by the Trustees, for use by the school.

£803,680 (2018 - £803,680) has been set aside for the support of the charitable work of the Congregation worldwide. These funds are kept in a separate investment portfolio and are represented by listed investments and cash balances.

A further £2,000,000 (2018 - £2,000,000) has been set aside towards the future costs of the formation and the training of the Sisters of the Congregation.

Given the age profile of the Sisters and the commitment the Charity has to care for them for life, a further designated fund of £6,800,000 (2018 - £6,800,000), calculated using actuarial principles has been set aside in order to provide a modest sum towards the care of Sisters as they grow older.

Funds which are available, therefore, to support the work of the Sisters in future are those shown on the balance sheet as general funds and amount to £2,128,766 (2018 - £1,944,858). The Trustees are of the opinion that this level of free reserves is prudent and appropriate and consistent with the Charity's reserves policy.

Investment policy and performance

At 31 August 2019, the Charity held listed investments with a market value of £12,147,313 (2018 - £11,894,310) and, at that date, a further £166,098 was held as cash (2018 - £284,326).

All of the Charity's investments are managed by professional investment managers who operate within specific guidelines which are set and regularly reviewed by the Trustees. The Trustees meet with the fund managers on a regular basis. The strategy is to maximise total returns, within acceptable levels of risk but with regards to certain ethical principles.

The investment objective is to maintain and enhance the real value of the Charity's assets over the long term by investing in portfolios that comprise equities, fixed income stocks and cash. The Trustees have agreed a balanced investment objective between medium and low risk. However, because of the age profile of the Sisters they may need to change this to low risk in the near future.

FINANCIAL REVIEW (continued)

Investment policy and performance (continued)

The Trustees continue to have an ethically responsible investment policy. They aim to have a twofold approach: to boycott investment in companies which are predominantly involved in the production of armaments, birth control and anything contrary to the ethos of the Roman Catholic Church and hence not consistent with the Charity's Trust Deed. Secondly, to be proactive as concerned shareholders of other companies to influence policy positively in favour of human rights etc.

The Trustees are satisfied with the performance of the investments and remain happy that their investment objectives will be met in the long term.

At the request of the Trustees, the fund manager at Charles Stanley, which manages the largest part of the Charity's investment portfolio, is actively engaging with ShareAction and the Church Investors Group.

As noted above under principal accounting policies, since the year end world stock markets have become volatile because of the Covid-19 pandemic. At the date on which this report and accounts were approved, the charity's investment portfolios had an aggregate value of £11.7 million representing a 4% fall in value since 31 August 2019.

PLANS FOR FUTURE PERIODS

Province

Since the end of the financial year, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

The lockdown and the travel restrictions we have experienced since then, have greatly reduced the movement of the Sisters within the Province. Many of the activities have been cancelled, namely the usual Province Assembly, and other visits and pastoral events, such as the ACI Family gathering.

Others have migrated online, such as the Board of Governors meeting for the School, Trustees' meetings, Superiors' encounters etc. These meetings are still taking place regularly and the participants have quickly adapted to teleconference. It is likely that in the future, even when it is not strictly necessary to keep this format, some of it will be kept, because it has been proven to have a number of advantages.

Some pastoral events have migrated online, but in this case it seems clear that it is only a substitute and face-to-face meetings are preferable and should resume as soon as possible.

Because of limitations to church liturgy and a drastic reduction in attendance, the usual donations have fallen significantly. However, the main financial impact has been the volatility in investment markets and the consequential impact on investment income as the economy struggles.

PLANS FOR FUTURE PERIODS (continued)

School

General plans

The School is ambitious for the future and has submitted plans to the local authorities for the addition of a further four classrooms, the redevelopment of the EYFS setting, and a small amount of office space with a view to allow the School to achieve two-form entry throughout the School over the medium to long term, whilst improving the flow and use of the School.

Covid-19

Covid-19 has affected the School in many different ways, impacting on finances, pupil numbers, trips, other income and various other areas.

At the start of lockdown, the Governors looked at how best to assist the many parents whose ability to pay full fees was impaired by Covid-19 and recognise the School's inability, through no fault of the School, to offer the usual provision to their children. A fee reduction of 10% was offered to all parents for the Summer Term. For those parents worst affected, hardship bursaries were also made available. From the start of the Summer Term, our staff moved rapidly to teaching online alongside the provision we made for Keyworkers in school. This was a challenge for the school and the staff who had to train themselves within the online teaching environment over their Easter holidays as well as for parents who had to oversee the learning in their homes. Additionally the school's income stream was affected as follows:

- ◆ The School bus was unable to run.
- ◆ Afterschool clubs were cancelled.
- ◆ We were unable to hire out the premises from March 2020, one of our most lucrative lettings period.
- ◆ Two residential trips were cancelled incurring some unrecoverable costs.

A small number of teachers and teaching assistants for whom we were unable to provide work during lockdown were furloughed under the governments' Coronavirus Job Retention Scheme from April to August. A small saving was made in some areas such as catering, school materials and printing. However, other costs such as extra cleaning rose due to the pandemic.

In the longer term Covid-19 has impacted on pupil numbers for 2020-21, which have been reduced as some parents have moved away the city or abroad, other new entrants have been unwilling to commit to a place in September due to concerns around the economy and other prospective parents have been unable to visit and may be wary of taking on school fees at this time.

Overall charity

The trustees will continue to keep both income and expenditure under review. Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the charity's financial position.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Trustees are appointed by the Provincial Superior of the Congregation. At any one time there must be a minimum of two Trustees. The names of the Trustees who were in office at 31 August 2019 are set out on page 1 of this report and accounts.

Trustees



Sister Ana Maria Ramirez is the Provincial Superior of the Atlantic Europe Province of the Handmaids since 9 July 2017. She has a degree in Chemistry and worked in Investigation and Research (I&R) for two years, as well as in teaching in secondary schools, before joining the Handmaids. She has extensive experience as a Local Superior in different social environments and also as a Provincial Consultant. Sister Ana Maria was the Head Teacher of two different private schools (in Oporto and Lisbon). From 2013 to 2016 she lived in East Timor as a missionary. Her apostolic work ranged from work with immigrants and refugees on integration into Europe to more pastoral work, guiding retreats, giving spiritual direction to individuals and groups, catechism and religion classes.



Sister Eileen O'Neill spent four years in ministry with the Congregation's Sisters in Israel. For 17 years she managed the Congregation's retreat house in Dublin where work with school children was a priority. For four years she was Home School Liaison person in the Congregation's secondary school in Dublin and, for 19 years until her retirement in 2012, was a key worker for the homeless in Providence Row, London.



Sister Noella Pereira came to London in 2009 after retiring as Head of Dilkhush Special School for the intellectually handicapped for 14 years. She also headed the Teacher Training Centre and worked on the Government Body for curriculum planning and inspection of Special Schools. She also worked in the parish preparing children and young people for the sacraments and animated the Liturgy groups. In London she volunteers in Saint Christina's School supporting those students who need help in Maths and English. She also works in the parish with the group preparing for confirmation. In the Convent she does the accounts and helps animate the Sunday Liturgy.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)



Sister Marta Silva, Provincial Bursar from 1 January 2014, has a degree in Economics, and several years' experience as Business Consultant in a worldwide consulting company, focused on Management Information Systems for Banking and Financial Services. Previously, she had worked as a lay missionary in Mozambique, in education programs for refugees, adult literacy and training of local leaders. She has a degree in Theology and has many years experience of pastoral work with young people, both in Spain and in Portugal, guiding groups and giving spiritual orientation. She was the Bursar in the Handmaids' private schools in Portugal, first in Oporto and then in Lisbon, at the same time as she was teaching religion to different grades. She is part of the International Commission of Economic Affairs of the Handmaids of the Sacred Heart of Jesus.



Sister Anne Petit has been in London for the past 18 years as Infirmarian, caring for the sick and elderly Sisters. She is also the Delegate for the Congregation's Sponsorship Licence. She is the Congregation's safeguarding link for our Convents in England. She volunteers in St John's Hospice. Prior to this, Sister Anne worked in Pastoral Ministry for 15 years in a deprived area in Glasgow. She has also spent time teaching. She has a teaching certificate and a diploma in Theology. Over the years she has given bereavement courses for both children and adults and continued with her bereavement work.

The Trustees have kept up to date with their responsibilities by reading relevant literature and attending seminars whenever possible.

The Provincial Bursar participated in the Annual Conference of Provincial Bursars. She has been appointed as a member of the International Commission for Economic Affairs, thus contributing to the global governance of the Congregation, and at the same time being enriched with the worldwide perspective of this Committee.

During the year, several meetings were held with the Charity's investment managers, to ensure that the best return for the Charity's investments was being achieved.

Meetings have also taken place with the Charity's auditor, Buzzacott LLP, to discuss the Charity's financial situation.

During the year, representatives of the Trustees met with the insurance brokers to ensure that all areas of insurance were sufficiently covered and to consider the Charity's risk management policy.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The Trustees consider that they together with the Governors and senior management team of Saint Christina's Preparatory School comprise the key management of the Charity in charge of directing and controlling, running and operating the Charity and the School on a day to day basis.

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

The Governors of the School are appointed by the Provincial Superior.

The remuneration of the key management personnel of the School is set by the governing body. Note is taken of market conditions, national and local pay scales and levels of performance. The Head Teacher and Deputy Head Teacher have an Annual Performance Review, where their targets are agreed/reviewed. The Governors of the School receive no remuneration or reimbursement of expenses in connection with their duties as Governors.

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;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ observe the methods and principles in 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);
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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, the relevant Charity (Accounts and Reports) Regulations and the provisions of the Charity's trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees have looked at the risks the Congregation currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. In addition to the challenges faced because of the Covid-19 pandemic (see above), the Trustees have identified five main areas where risks may occur:

- ◆ Governance and management;
- ◆ Operational;
- ◆ Financial;
- ◆ Reputational;
- ◆ Laws, regulations, external and environment.

Governance and management looks at the risk of the Congregation, and hence the Charity, suffering from a lack of direction, and at the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the Charity's activities including the operation of its school – the members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Congregation's and/or Charity's reputation.

Laws, regulations, external and environment looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the Charity's school.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Having assessed the major risks to which the Charity is exposed, the Trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

The key risks for the Charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age at 31 August 2019 was 73 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters 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.
- ◆ Operationally, the Charity works with children. The Trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. This means that Sisters engaged in any ministry in Great Britain and all those who work or volunteer for the Charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The Trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, a Safeguarding Officer is nominated at the school operated by the Charity. Safeguarding training is compulsory for all staff.
- ◆ 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 performance of the portfolio is monitored and the investment strategy is assessed regularly to ensure it remains appropriate to the Charity's needs – both now and in the future.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ With regards to Saint Christina's Preparatory School, long term accurate forecasting of student numbers continues to be difficult and Governors are mindful of the continuing need to raise the profile of the School and to maintain and further enhance good working relationships with local authorities. A strategic group has been set up to oversee marketing strategies and ensure that they are aligned with the key strategic aims.

Approved by the Trustees and signed on their behalf by:

Marta Silva, ACI

Trustee

Approved by the Trustees on: 23rd September 2020

Independent auditor's report to the Trustees of Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust

Opinion

We have audited the accounts of Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) 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, 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).

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.

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 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. This description forms part of our auditor's report.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

25/09/2020

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	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Income from:							
Donations	1	69,701	5,920	75,621	61,893	2,741	64,634
Investments and interest receivable	2	443,609	—	443,609	411,668	—	411,668
Charitable activities							
. Education fees and related charges	3	2,154,560	—	2,154,560	2,336,810	—	2,336,810
Other trading activities	4	47,404	2,768	50,172	46,380	—	46,380
Total income		2,715,274	8,688	2,723,962	2,856,751	2,741	2,859,492
Expenditure on:							
Raising funds							
. Investment managers' fees		72,067	—	72,067	59,775	—	59,775
Charitable activities							
. Donations and support of missions	5	70,722	2,768	73,490	108,531	—	108,531
. Provision of education	6	2,159,301	5,920	2,165,221	2,286,645	1,241	2,287,886
. Support of members of the Congregation and their ministry	7	358,259	—	358,259	360,307	—	360,307
Total expenditure		2,660,349	8,688	2,669,037	2,815,258	1,241	2,816,499
Net income for the year before net gains on investments	8	54,925	—	54,925	41,493	1,500	42,993
Net investment gains	12	162,193	—	162,193	326,973	—	326,973
Net income		217,118	—	217,118	368,466	1,500	369,966
Transfers between funds	16	3,664	(3,664)	—	5,000	(5,000)	—
Net movement in funds		220,782	(3,664)	217,118	373,466	(3,000)	369,966
Reconciliation of funds:							
Balances brought forward at 1 September 2018		18,816,798	3,664	18,820,462	18,443,332	7,164	18,450,496
Balances carried forward at 31 August 2019		19,037,580	—	19,037,580	18,816,798	3,664	18,820,462

All of the Charity's activities derived from continuing operations during the above two financial years.

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

Balance sheet 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		5,189,868		5,373,456
Investments	12		12,313,411		12,178,636
Programme related investments	13		516,510		516,510
			18,019,789		18,068,602
Current assets					
Debtors	14	181,797		153,972	
Cash at bank and in hand		1,665,134		1,292,754	
		1,846,931		1,446,726	
Current liabilities					
Creditors: amounts falling due within one year	15	(538,140)		(424,866)	
Net current assets			1,308,791		1,021,860
Total assets less current liabilities			19,328,580		19,090,462
Creditors: amounts falling due after one year					
. Fee deposits from pupils			(291,000)		(270,000)
Total net assets			19,037,580		18,820,462
The funds of the Charity:					
Restricted funds	16		—		3,664
Unrestricted funds					
. Tangible fixed assets fund	17		5,189,868		5,373,456
. Programme related investment fund	18		516,510		516,510
. Designated funds	19		11,202,436		10,981,974
. General funds			2,128,766		1,944,858
			19,037,580		18,820,462

Approved by the Trustees and signed on their behalf by:

Marta Silva, ACI

Trustee

Approved by the Trustees on: 23rd September 2020

Statement of cash flows Year to 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(34,825)	(218,704)
Cash flows from investing activities:			
Investment income and interest received		414,679	443,477
Purchase of tangible fixed assets		(36,394)	(105,236)
Proceeds from the disposal of tangible fixed assets		1,502	—
Purchase of listed investments		(410,642)	(742,773)
Proceeds from the disposal of listed investments		319,832	339,204
Programme related investment: loan granted		—	(59,152)
Net cash provided by (used in) investing activities		288,977	(124,480)
Change in cash and cash equivalents in the year		254,152	(343,184)
Cash and cash equivalents at 1 September 2018	B	1,577,080	1,920,264
Cash and cash equivalents at 31 August 2019	B	1,831,232	1,577,080

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 £
Net movement in funds (as per the statement of financial activities)	217,118	369,966
Adjustments for:		
Depreciation charge	217,632	228,450
Gains on investments	(162,193)	(326,973)
Investment income and interest receivable	(443,609)	(411,668)
Deficit on disposal of tangible fixed assets	848	3,720
Decrease (increase) in debtors	1,105	(491)
Increase (decrease) in creditors	134,274	(81,708)
Net cash used in operating activities	(34,825)	(218,704)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,665,134	1,292,754
Cash held by investment managers	166,098	284,326
Total cash and cash equivalents	1,831,232	1,577,080

Principal accounting policies 31 August 2019

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 ended 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 (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 these judgements and estimates have been made include:

- ◆ the estimates of the useful economic life of tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision required for any bad or doubtful debts in respect to fees receivable by Saint Christina's Preparatory School. Any such provision has been determined following an assessment of the likelihood of recovery on long-standing debts;
- ◆ assumptions adopted by the Trustees in determining the value of any designations required from the Charity's unrestricted funds, in particular the Sisters' retirement fund; and
- ◆ estimation of future income and expenditure flows of the charity for the purpose of assessing going concern (see below).

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.

Assessment of going concern (continued)

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.

Saint Christina's Preparatory School is dependent on students applying to it and on parents paying their fees. Long term accurate forecasting of student numbers is not easy but work continues to raise the profile of the school and to maintain and enhance relations with parents. Whilst acknowledging the challenges that Covid-19 will no doubt present for the School but also the overall charity because of the closure of churches and falls in investment income, the trustees believe that charity has sufficient reserves to be able to withstand the pressures.

Consequently, their belief is that Covid-19 will not cast any significant doubt on the ability of the charity to continue as a going concern especially given its reserve levels.

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. 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, legacies, investment income, interest receivable, income from programme related investment, income from the operation of an independent school and other trading activities (principally income from hiring out school facilities).

Donations, including salaries and pensions of individual religious persons received under Gift Aid or deed of covenant, are recognised when the Charity has confirmation of both the amount and the 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 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.

Income recognition (continued)

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probably when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset disclosed is material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due. Income from programme related investment comprises rental income from the property used by another registered Charity for purposes consistent with the objects of the Charity, and is recognised when due under the arrangement with the entity. Income from all investments is accounted for only when the receipt of such income is probable and the amount can be measured reliably.

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

Fees from the provision of education comprise tuition and related fees paid in accordance with agreements between the school and individual pupils' parents. Such income is recognised when the school is entitled to receipt under the relevant contractual agreements. This is usually at the point at which the school has commenced the provision of education in respect to the relevant student at the start of each academic term.

Income from other trading activities comprises in the main income from the hiring out of school facilities. Such income is recognised on an accruals basis with the Charity becoming entitled to the income on the date on which the facilities are used. The amount due is measured at fair value less any discounts granted.

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 probably that a transfer or economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure recognition (continued)

All expenditure is accounted for on an accruals basis and includes any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings. The classifications between activities are as follows:

- a. The costs of raising funds include the fees paid to investment managers in connection with the management of the Charity's listed investments.
- b. Charitable expenditure comprises expenditure on the Charity's primary charitable purposes and relates to:
 - (i) Donations relate, in the main, to the support of the Congregation's own work overseas and the support of other charitable organisations whose objects are consistent with those of the Charity.
 - (ii) Expenditure incurred in the provision of education carried out at Saint Christina's Preparatory School.
 - (iii) Expenditure on the support of members of the Congregation and their ministry. Such expenditure enables the members to carry out the work of the Charity in the areas of the advancement of the Roman Catholic faith, the provision of education and the relief of poverty.

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

Governance costs which comprise the costs directly attributable to the governance of the Charity, including audit costs and the necessary legal procedures for compliance with statutory requirements, are allocated directly to the charitable activities to which they relate.

Tangible fixed assets

All computer equipment costing £1,000 or more and all other assets costing more than £1,500 which have an expected useful life exceeding one year are capitalised.

Freehold land and buildings

The Trustees are the legal owners of land and buildings used exclusively by a school founded by the Congregation, but which is now under separate control and publicly funded. Such assets are regarded as having a nil value for the purposes of the accounts, since they cannot be disposed of in the open market or put to alternative use while such occupation continues.

Tangible fixed assets (continued)

Freehold land and buildings (continued)

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are shown on the balance sheet at a valuation determined by the Trustees at 31 August 1999 based on replacement value for existing use with additions since that date being included at cost. As permitted under the transitional provisions of FRS 102 (section 35), the Trustees have elected to use the 31 August 1999 valuations as deemed 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.

Specialised buildings are defined as those comprising the Congregation's educational establishments and large residential Convents. The buildings comprising Saint Christina's Preparatory School are included in the accounts at a Trustees' valuation made in 1994 on the basis of replacement cost for existing use with additions since 1 September 1994 being included at cost. Other specialised buildings are stated at cost, or where cost is not available, at a Trustees' valuation made in 1999 based on replacement cost for existing use. As permitted under the transitional provisions of FRS 102 (section 35), the Charity Trustees have elected to use the 1994 and 1999 valuations as deemed 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.

Plant and building improvements

Expenditure on plant and property improvements, excluding those of a major structural nature, are capitalised and depreciated over a twenty year period on a straight line basis.

Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment for use within Saint Christina's Preparatory School is capitalised and depreciated over a ten year period on a straight line basis.

All other expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period on a straight line basis.

Computer equipment

Expenditure on the purchase and replacement of computer equipment is capitalised and depreciated over a three year period on a straight line basis.

Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis in order to write off each vehicle over its estimated useful life.

Fixed asset investments

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 statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year

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

One of the main forms 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 sun sectors.

All gains and losses on investments are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

Programme related investments

Programme related investments include land and buildings owned by the Charity but used by another organisation for purposes consistent with the Charity's objectives. The assets are stated at deemed cost. The original cost of the land building classified as programme related investment is not known. Before the reclassification as programme related investment the book value of the freehold land and building was based on valuations made in 1994 and 1999 with subsequent additions and improvements included at cost. As permitted under the transitional provisions of FRS 102 (section 35), the Charity Trustees had elected to use these valuations as deemed cost. Any loss arising from disposal or any loss arising from impairment is recognised as expenditure on charitable activities and is charged to the statement of financial activities. Any gain arising from disposal is credited to the statement of financial activities.

Programme related investments also comprise loans advanced to organisations with objects consistent with those of the Charity. Such loans are often interest free and any financial return is not the primary reason for advancing the loan. The recoverability of the loan is assessed each year and any amount irrecoverable is converted into a donation payable.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

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

Fund accounting

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

The tangible fixed assets fund represents the net book value of the Charity's tangible fixed assets held on unrestricted funds.

The programme related investment fund represents the combined value of land and buildings owned by the Charity but used by another organisation for purposes consistent with the Charity's objectives, together with the amount outstanding on loans granted to another organisation for purposes consistent with the Charity's objectives.

Designated funds comprise monies set aside by the Trustees out of general funds for a particular purpose or project.

The general fund comprises those monies which are freely available for use in furtherance of the Charity's objectives at the discretion of the Trustees.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account at arriving at the net movement in funds.

Services provided by members of the Congregation

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

Pension costs

Contributions in respect of the defined benefit scheme are charged to the statement of financial activities so as to spread the cost of pensions over the employees' working lives at Saint Christina's Preparatory School.

Contributions to defined contribution schemes are charged to the statement of financial activities in the period in which they are payable to the scheme.

Notes to the accounts 31 August 2019

1 Income from: Donations

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Salaries and pensions of individual religious received under Gift Aid	47,316	—	7,316	47,593	—	47,593
General donations	22,385	5,920	28,305	14,300	2,741	17,041
	69,701	5,920	75,621	61,893	2,741	64,634

2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total 2019 £	Total 2018 £
Income from listed investments		
. Unitised funds	38,891	33,186
. UK fixed interest	28,416	27,959
. Common investment funds	84,688	85,096
. UK equities	207,165	187,280
. Foreign investment trusts	43,222	40,406
. Charities property fund	6,015	5,636
	408,397	379,563
Interest receivable		
. Bank interest	5,212	2,105
	5,212	2,105
Income from programme related investments	30,000	30,000
	443,609	411,668

3 Income from: Education fees and related charges

	Unrestricted funds	
	Total 2019 £	Total 2018 £
Tuition fees	2,093,542	2,263,121
Less: Discounts and bursaries	(39,275)	(32,555)
	2,054,267	2,230,566
Other fees and charges	100,293	94,892
Funding from local authorities	—	11,352
	100,293	106,244
	2,154,560	2,336,810

Notes to the accounts 31 August 2019

4 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Hire of facilities	39,376	—	39,376	41,484	—	41,484
Miscellaneous	8,028	—	8,028	4,896	—	4,896
Fundraising	—	2,768	2,768	—	—	—
	47,404	2,768	50,172	46,380	—	46,380

5 Expenditure on: Donations and support of missions

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Handmaids of the Sacred Heart - Dublin	7,209	—	7,209	9,818	—	9,818
Handmaids of the Sacred Heart - Rome	47,139	—	47,139	1,891	—	1,891
CAFOD	4,025	—	4,025	—	—	—
Catholic Trust for England and Wales	1,200	—	1,200	—	—	—
Fundação Santa Rataela Maria	—	—	—	86,210	—	86,210
Fundação Goncab de Silveira	1,782	—	1,782	—	—	—
Global Legal Action Network	—	—	—	1,814	—	1,814
Share Action	2,000	—	2,000	2,000	—	2,000
Donations under £1,000 each to institutions	7,367	2,768	10,135	6,798	—	6,798
	70,722	2,768	73,490	108,531	—	108,531

6 Expenditure on: Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Teaching costs	1,221,142	5,920	1,227,062	1,420,154	1,241	1,421,395
Welfare	222,365	—	222,365	244,751	—	244,751
Premises	389,789	—	389,789	369,448	—	369,448
Support costs (see below)	326,005	—	326,005	252,292	—	252,292
	2,159,301	5,920	2,165,221	2,286,645	1,241	2,287,886

6 Expenditure on: Provision of education (continued)

Support costs comprise:

	Unrestricted funds	
	Total 2019 £	Total 2018 £
Staff costs	142,099	120,461
Printing, postage, stationery, telephone	36,432	14,584
Courses	12,293	19,118
Insurance	21,534	21,314
Chaplaincy	690	540
Subscription and inspection costs	11,993	11,711
Professional fees	87,643	48,584
Miscellaneous expenses	1,021	1,292
Governance costs – auditor’s remuneration	12,300	14,688
	326,005	252,292

Governance costs include audit and accountancy fees and other professional fees pertaining to the governance of the school.

7 Expenditure on: Support of members of the Congregation and their ministry

	Unrestricted funds	
	Total 2019 £	Total 2018 £
Premises	80,700	72,230
Sisters' personal expenses	96,114	104,480
Education, training and spiritual renewal	100,223	84,248
Depreciation of property	50,433	50,433
Other support costs	12,099	31,246
Governance costs – auditor’s remuneration	12,690	17,670
	358,259	360,307

8 Net income for the year before net gains on investments

This is stated after charging (crediting):

	Total funds 2019 £	Total funds 2018 £
Staff costs (note 9)	1,416,806	1,550,506
Auditor’s remuneration		
. Statutory audit services		
.. Current year	6,750	6,600
. Non statutory audit services		
.. Current year	12,330	14,300
.. Prior year	(4,890)	888
. Other services	10,800	10,570
Deficit on disposal of tangible fixed assets	848	3,720
Depreciation	217,632	228,450

9 Staff costs, remuneration of key management personnel and Trustees' remuneration

	Total funds 2019	Total funds 2018
	£	£
Staff costs during the year were as follows:		
Wages and salaries	1,125,155	1,229,532
Social security costs	113,702	125,608
Other pension costs	126,703	131,215
	1,365,560	1,486,355
Contractors' fees	51,246	64,151
	1,416,806	1,550,506
Staff costs per function were as follows:		
Provision of education	1,393,073	1,520,632
Support of members of the Congregation and their ministry	23,733	29,874
	1,416,806	1,550,506

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

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

Employer contributions were made on behalf of one of the above employees to a defined benefit scheme and on behalf of the other employee to a defined contributions scheme. Total contributions to the defined benefit scheme amounted to £108,860 (2018 - £114,250) and total contributions to the defined contribution schemes amounted to £17,843 (2018 - £16,965).

The average number of employees during the year, analysed by function, was as follows:

	2019	2018
	No.	No.
Provision of education	33	37
Support of members of the Congregation and their ministry	2	3
	35	40

As members of the Congregation, the Trustees' living and personal 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).

From time to time the children of Governors may be educated at the school. In such cases all financial and other transactions are conducted on an arm's length basis on terms consistent with those available to all other parents.

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis comprise the Trustees and the Governors and senior management team of the school, including the Head Teacher and the Bursar.

The total remuneration including employer pension and National Insurance contributions and other benefits of the key management personnel was £182,881 (2018 - £193,714).

Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust

10 Taxation

The Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust is a registered Charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings		Plant and building improvements	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Residential	Educational					
	£	£	£	£	£	£	£
Cost or valuation							
At 1 September 2018	3,169,221	2,970,658	1,106,668	364,715	158,163	45,291	7,814,716
Additions	—	—	8,773	21,551	6,070	—	36,394
Disposals	—	—	—	(43,363)	(25,109)	(15,810)	(84,282)
At 31 August 2019	<u>3,169,221</u>	<u>2,970,658</u>	<u>1,115,441</u>	<u>342,903</u>	<u>139,124</u>	<u>29,481</u>	<u>7,766,828</u>
At cost	741,451	1,721,408	1,115,441	342,903	139,124	29,481	4,089,808
At deemed cost – 1994 and 1999 valuations	<u>2,427,770</u>	<u>1,249,250</u>	—	—	—	—	<u>3,677,020</u>
	<u>3,169,221</u>	<u>2,970,658</u>	<u>1,115,441</u>	<u>342,903</u>	<u>139,124</u>	<u>29,481</u>	<u>7,766,828</u>
Depreciation							
At 1 September 2018	947,006	781,867	320,107	233,851	119,136	39,293	2,441,260
Charge for the year	50,433	59,413	55,336	31,647	19,303	1,500	217,632
On disposals	—	—	—	(41,014)	(25,109)	(15,809)	(81,932)
At 31 August 2019	<u>997,439</u>	<u>841,280</u>	<u>375,443</u>	<u>224,484</u>	<u>113,330</u>	<u>24,984</u>	<u>2,576,960</u>
Net book values							
At 31 August 2019	<u>2,171,782</u>	<u>2,129,378</u>	<u>739,998</u>	<u>118,419</u>	<u>25,794</u>	<u>4,497</u>	<u>5,189,868</u>
At 31 August 2018	<u>2,222,215</u>	<u>2,188,791</u>	<u>786,561</u>	<u>130,864</u>	<u>39,027</u>	<u>5,998</u>	<u>5,373,456</u>

As permitted under FRS 102, the Charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of the freehold land and buildings is based on valuations made in 1994 and 1999 with subsequent additions and improvements included at cost. As permitted under the transitional provisions of FRS 102 (section 35), the Charity Trustees have elected to use these valuations as deemed cost. Other tangible fixed assets are stated at cost.

12 Investments

	2019	2018
	£	£
Listed investments		
Market value at 1 September 2018	11,894,310	11,163,768
Additions at cost	410,642	742,773
Disposals at book value (see below)	(339,068)	(318,142)
Net unrealised investment gains	181,429	305,911
Market value at 31 August 2019	12,147,313	11,894,310
Cash held by investment managers	166,098	284,326
	12,313,411	12,178,636
Cost of listed investments at 31 August 2019	8,836,834	8,712,613

Notes to the accounts 31 August 2019

12 Investments (continued)

Disposals at book value included above are made up of the following:

	2019 £	2018 £
Proceeds	319,832	318,142
Losses (gains)	19,236	(21,062)
Disposals at book value	339,068	318,142

Listed investments held at 31 August 2019 comprised the following:

	2019 £	2018 £
UK fixed interest	949,248	934,475
Common investment funds	4,233,010	4,092,735
UK equities	4,494,042	4,359,165
Foreign investment trusts	2,328,579	2,378,308
Charities property fund	142,434	129,627
	12,147,313	11,894,310

At 31 August 2019 listed investments included the following holdings, which represented material holdings relative to the market value of the total listed investments portfolio held at that date:

	Market value of holding £	Percentage of portfolio %
Charifaith Common Investment Fund	2,978,353	24.52
COIF Charities Ethical Funds	1,254,657	10.33

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

As noted above under principal accounting policies, since the year end world stock markets have been adversely affected by the Covid-19 pandemic. At the date on which this report and accounts were approved, the charity's investment portfolios had an aggregate value of £11.7 million representing a 4% fall in value since 31 August 2019.

13 Programme related investments

At the year-end, the Charity held investments which were held directly in pursuit of the organisation's charitable activities as follows:

	2019 £	2018 £
Land and buildings	457,358	457,358
Interest free loan	59,152	59,152
	516,510	516,510

13 Programme related investments (continued)

The land and buildings comprise a property owned by the Charity but used by another charitable organisation for purposes consistent with the objects of the Charity. As explained under principal accounting policies, the above property is included on the balance sheet at the value at which it was included in tangible fixed assets immediately prior to its reclassification as a programme related investment in 2017. The value was based on a Trustees' valuation determined in 1994 and 1999 adjusted for the costs of subsequent additions to the property.

The interest free loan of €65,000 was advanced in July 2018 to Quinta de Casa Velha to assist with activities consistent with the objects of the Charity. The loan is repayable within 15 years of the date of advance but with the borrower "making best efforts" to repay €5,000 per annum from 2023 onwards.

14 Debtors

	2019 £	2018 £
School fees receivable	15,906	20,988
Investment income receivable	133,864	104,934
Prepayments and accrued income	32,027	28,050
	181,797	153,972

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Expense creditors	18,778	1,037
Accruals	60,014	79,987
School fees in advance and fee deposits from pupils	364,708	257,632
Donations payable	49,988	86,210
Taxation and social security	44,652	—
	538,140	424,866

16 Restricted funds

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Kitchen fund	3,664	—	—	(3,664)	—
Other funds	—	8,688	(8,688)	—	—
	3,664	8,688	(8,688)	(3,664)	—

	At 1 September 2017 £	Income £	Expenditure £	Transfers £	At 31 August 2018 £
Kitchen fund	7,164	1,500	—	(5,000)	3,664
Other funds	—	1,241	(1,241)	—	—
	7,164	2,741	(1,241)	(5,000)	3,664

Notes to the accounts 31 August 2019

16 Restricted funds (continued)

Transfers reflect capital expenditure incurred in the current and the prior years and applied for the purposes of the school in accordance with the terms of the restriction imposed. The transfer reflects the fact that the terms under which the monies were given have been met in full by the school. These and other tangible assets are represented by the tangible fixed assets fund (note 17).

The **Kitchen fund** represents donations to be used in respect to improvements to the school's kitchen.

Other funds represented donations to be used in respect to specific purposes and have been spent in accordance with these restrictions.

17 Tangible fixed assets fund

	2019 £	2018 £
At 1 September 2018	5,373,456	5,579,028
Net movement in year	(183,588)	(205,572)
At 31 August 2019	5,189,868	5,373,456

The tangible fixed assets fund represents the net book value of the Charity's tangible fixed assets held on unrestricted funds. A decision was made to separate this fund from the general funds of the Charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the Charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

18 Programme related investment fund

	Total £
At 31 August 2018 and 31 August 2019	516,510

The programme related investment fund represents the value of the Charity's programme related investments. These investments comprises land and buildings owned by the Charity but used by another charitable organisation with objectives consistent with those of the Charity, together with interest free loans advanced to organisations with objects consistent with those of the Charity. The value of these programme related investments should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

19 Designated funds

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

	At 1 September 2018 £	New designations £	Utilised/ released £	At 31 August 2019 £
Mission fund	803,680	—	—	803,680
Saint Christina's Preparatory School fund	1,378,294	2,467,360	(2,246,898)	1,598,756
Formation fund	2,000,000	—	—	2,000,000
Sisters' care fund	6,800,000	—	—	6,800,000
	10,981,974	2,467,360	(2,246,898)	11,202,436

Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants)
Charitable Trust

Notes to the accounts 31 August 2019

19 Designated funds (continued)

	At 1 September 2017 £	New designations £	Utilised/ released £	At 31 August 2018 £
Mission fund	803,680	—	—	803,680
Saint Christina's Preparatory School fund	1,098,231	2,639,538	(2,359,475)	1,378,294
Formation fund	2,000,000	—	—	2,000,000
Sisters' care fund	6,800,000	—	—	6,800,000
	<u>10,701,911</u>	<u>2,639,538</u>	<u>(2,359,475)</u>	<u>10,981,974</u>

Mission fund

This fund was created following the receipt of a donation from the Irish Province of the Handmaids of the Sacred Heart of Jesus and will be used to support the charitable activities of the Congregation worldwide.

Saint Christina's Preparatory School fund

This fund represents the accumulated surpluses of income over expenditure of Saint Christina's Preparatory School, together with monies designated by the Trustees for use by the school.

Formation fund

This fund represents monies set aside to be applied in future years towards the cost of formation and training of members of the Congregation.

Sisters' care fund

This fund represents reserves, calculated using actuarial principles, that have been set aside in order to provide a modest sum towards the care of Sisters as they grow older.

20 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Designated funds £	Total 2019 £
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	—	5,189,868	—	—	5,189,868
Investments	1,455,074	—	—	10,858,337	12,313,411
Programme related investments	—	—	516,510	—	516,510
Current assets	767,691	—	—	1,079,240	1,846,931
Creditors: amounts falling due within one year	(93,999)	—	—	(444,141)	(538,140)
Creditors: amounts falling due after one year	—	—	—	(291,000)	(291,000)
Total net assets	<u>2,128,766</u>	<u>5,189,868</u>	<u>516,510</u>	<u>11,202,436</u>	<u>19,037,580</u>

20 Analysis of net assets between funds (continued)

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Designated funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:						
Tangible fixed assets	—	5,373,456	—	—	—	5,373,456
Investments	1,399,793	—	—	—	10,778,843	12,178,636
Programme related investments	—	—	516,510	—	—	516,510
Current assets	679,226	—	—	3,664	763,836	1,446,726
Creditors: amounts falling due within one year	(134,161)	—	—	—	(290,705)	(424,866)
Creditors: amounts falling due after one year	—	—	—	—	(270,000)	(270,000)
Total net assets	1,944,858	5,373,456	516,510	3,664	10,981,974	18,820,462
					2019 £	2018 £
Total unrealised gains included above:						
On investments					3,310,479	3,181,697
Reconciliation of movement in unrealised gains						
Unrealised gains at 1 September 2018					3,181,697	2,884,079
In respect to disposals in year					(52,647)	(8,293)
Net gains arising on revaluation in the year					181,429	305,911
Unrealised gains at 31 August 2019					3,310,479	3,181,697

21 Pension schemes and related commitments

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

Valuation of the Teachers' Pension Scheme

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

21 Pension schemes and related commitments (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

For the period 1 September 2018 to 31 August 2019, the employer contributions amounted to £108,860 (2018 - £114,250).

Scottish Widows

This is a defined contribution scheme and contributions paid by the Charity amounted to £8,698 (2018 - £8,121).

21 Pension schemes and related commitments (continued)

Standard Life Pension Scheme

This is a defined contribution scheme and contributions paid by the Charity amounted to £2,801 (2018 - £3,895).

The Pensions' Trust

This is a defined contribution pension scheme and contributions paid by the Charity amounted to £6,344 (2018 - £4,949).

22 Ultimate control

The Charity, which is constituted as a trust, was controlled throughout the period by the Handmaids of the Sacred Heart of Jesus by virtue of the fact that the Provincial Superior appoints all of the Trustees. The Congregation in Great Britain does not hold any assets, incur liabilities or enter into any transactions in its own right. The assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the Charity, who undertake transactions entered into in the course of the Congregation's charitable activities.

23 Related party transactions

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 Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £5,755 (2018 - £5,963).

There were no further related party transactions requiring disclosure (2018 – none).