

**Sisters of the Holy Cross
Charitable Trust**

Annual Report and Accounts

31 August 2020

Charity Registration Number 238426

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Reference and administrative information

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

Reference and administrative information

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

The trustees present their statutory report, together with the accounts of the Sisters of the Holy Cross Charitable Trust (the charity), for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 41 to 48 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

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

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

MISSION

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

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

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

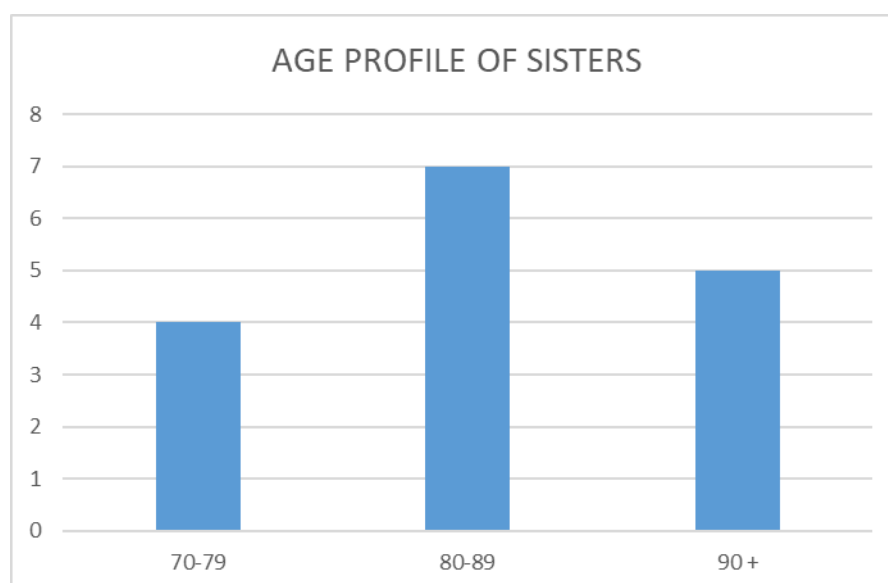
- ◆ Caring for members of the Congregation.
- ◆ The provision of education, care, social, pastoral and counselling services by individual sisters.
- ◆ Support of the overseas missionary work of the Congregation and the provision of grants and donations to other organisations with objectives consistent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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Caring for members of the Congregation

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

The age profile of the sisters in the English Province at 31 August 2020 is shown graphically below:



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

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

Social and pastoral work

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

- ◆ Caring for sisters of the Congregation in need;
- ◆ Working in parishes including visiting, helping in catechetical programmes, and assisting parishioners to develop their spiritual life;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Social and pastoral work (continued)

- ◆ Spiritual direction, retreat work and guiding prayer groups;
- ◆ Teaching in schools;
- ◆ Working in a day centre for the elderly;
- ◆ Visiting the elderly and infirm;
- ◆ Supporting the homeless;
- ◆ Working with environmental groups; and
- ◆ Working with groups that combat trafficking.

The aims of the trustees in this area include:

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

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

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

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

Education

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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Education (continued)

The School has over 270 pupils – all of whom are girls aged from 4 to 11 years old. It is set in eight acres of breath taking grounds, which include the remains of Coombe Conduit built in 1515 by Cardinal Wolsey to carry water to nearby Hampton Court Palace during the reign of Henry VIII. The author, John Galsworthy, spent his childhood there and described Coombe Ridge House – the main part of the School building – in The Forsyte Saga and other writings. It is a non-selective school and has a fairly wide cross section of academic ability. The School provides the opportunity for the pupils to acquire a love of learning and self-discipline with the confidence to become independent learners.

In operating the School, the trustees aim to:

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

Protection of children and vulnerable adults

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

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

Investment policy

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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy (continued)

Pope Francis' encyclical, *Laudato Si*, has encouraged the Sisters of the Holy Cross to focus on care of creation. For some time, we have been urging our investors to reduce reliance on fossil fuels. We have realised that engagement with these companies only has limited success. We have now informed our investors that we have decided to completely disinvest from fossil fuels, and thus work towards a zero carbon future.

In the light of new technologies and developments in science, we are constantly reviewing our attitude to ethical issues. We look at what companies are not in line with Catholic Social Teaching, and discuss these issues with our Investors, and ask them to take appropriate action.

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

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

ACHIEVEMENTS AND PERFORMANCE

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

Caring for members of the Congregation

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

Social and pastoral work

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

- ◆ One sister works part-time in a school for disabled children and in administration in a retreat centre;
- ◆ One sister teaches religious studies in a school;
- ◆ Some sisters accompany people for spiritual direction;
- ◆ Many sisters support our older and infirm sisters;
- ◆ Many sisters visit the sick in nursing homes;
- ◆ One sister works part-time at the Coombe as a pastoral coordinator;
- ◆ One sister works with Staywell, a centre for older people in New Malden;
- ◆ One sister works as a parish catechist;

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

- ◆ One sister works with Interfaith within the Westminster Diocese and runs a counselling service;
- ◆ One sister, through the Society of St Vincent de Paul, visits the elderly and infirm in their homes;
- ◆ One sister is an educator on ecological issues;
- ◆ Three sisters work within their parishes on justice and peace issues; and
- ◆ One sister works with groups engaged in support of trafficked people.

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

Overseas missionary work

FORMATION REPORT 2019/2020

In response to the General Chapter Message 2019, formation is “rooted in Christ to be a transforming presence”.

‘Come and See’ programmes are arranged for girls who are interested in Religious Life, and so begins the discernment of their vocation. God is the potter who molds the clay until it is ready as a pot. The Holy Spirit is the guide in preparing formees into real missionaries with strong faith, love and zeal for Christ. The Novitiate is the time to enhance and deepen novices’ personal relationship with God through familiarity with the Scriptures, reflections, meditations, and to understand the Charism of the Sisters of the Holy Cross and how it is lived out into today’s world. It is a time of inward journey into the depths of self, where one experiences the real love of God, true self and one’s identity. Afterwards they are given experiences and opportunities to take responsibility and contribute to the mission.



Offerings to God



What is God
asking of
me?



ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)



Studying the Bible



Learning cooking skills for the Community

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)



Learning about growing food and helping with the harvest



Formation is an ongoing process. Sisters are given the opportunity to attend workshops and seminars to deepen their spirituality. We are living in times of radical and swift cultural changes. This calls for new and fresh ways of discerning and interpreting the signs of the times. Some Sisters attended courses in formation and religious leadership, psychological and spiritual accompaniment/direction, counselling, and health care management programmes.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)

Studying and the prayer
before being awarded
the diplomas



A Seminar in Chile

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)



Learning about Bee-Keeping and extracting honey in Lesotho

Grant making

The Grants Administrator continues to be employed for 2 days per week under line management of the Provincial Bursar, with office accommodation provided at Holy Cross Convent in Chalfont St Peter. The Grants Administrator has the flexibility to work from home and has remote access (via Microsoft Office 365) to her work email account. Home working was necessary for the period mid-March to mid-June, due to the COVID-19 pandemic, after which the Grants Administrator returned to office working.

Scope of grant making

The primary focus of grant-making is the support of educational and/or faith projects within four Roman Catholic dioceses - Northampton, Westminster, Southwark and Brentwood - which benefit young people (up to and including age 25) and/or the disadvantaged and vulnerable sectors of society (not age-dependent). The scope is publicised at website <http://www.holycrossengland.org.uk/grant-making.htm>. Projects which fall outside the publicised eligibility criteria, or where the grant requested exceeds the published financial limits, may be considered by the trustees on an exceptional basis.

Statistics and Finance

The financial year opened with grant commitments of £202,756 brought forward from the previous year. The trustees then met to consider new applications in October 2019, January and July 2020. A total of 53 grant applications were considered, resulting in 45 awards to the value of £641,351. These 45 awards are listed in the next section. In-year payments totalled £748,689 and the period closed with grant commitments of £95,418 carried forward.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Grant making (continued)

Statistics and Finance (continued)

	<i>Applications considered</i>	<i>Grants awarded</i>	<i>Value of grants</i>
Commitments brought forward	—	—	£202,756
October Meeting	16	14	£212,350
January Meeting	14	11	£166,501
Extraordinary requests	3	3	£9,500
July Meeting	20	17	£253,000
<i>Totals</i>	<i>53</i>	<i>45</i>	<i>£844,107</i>

COVID-19 pandemic issues

All of our grant recipients had to alter their modus operandi / service delivery methods with effect from March 2020, due to the COVID-19 pandemic. Invariably they lost considerable levels of income due to cancellation of charitable activities, trading and fundraising events, along with reduction in income from individual donors and other sources such as church collections. Several quite correctly took advantage of the government's staff furlough scheme and other government financial support.

The trustees and Grants Administrator recognised that those organisations in receipt of *restricted* grants would benefit from relaxation of the restriction(s). Accordingly, where appropriate, flexible use of restricted grants was agreed to help organisations to survive the crisis. As far as we are aware, all of the organisations in receipt of our grant funding are still operating, albeit on a different or more limited basis than prior to March.

Examples of grant recipients

The following section offers a snapshot of 4 of the organisations awarded grants this year. Although not specifically stated, each of these organisations moved to *online delivery* of their services during the height of the pandemic.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Grant making (continued)

Examples of grant recipients (continued)

<p>Hackney Migrant Centre</p> <p>Annual Running Costs - £25,000</p>



Hackney Migrant Centre runs a weekly drop-in advice service with the help of volunteers and professional advisers. Visitors to the service receive initial immigration, housing and welfare advice; as well as advice on accessing a GP and dealing with charges for hospital care. Outside the drop-in, HMC works with visitors to resolve the problems facing them. See <https://hackneymigrantcentre.org.uk/>

“We provide a welcoming environment to migrants, regardless of immigration status, nationality or current place of residence. Our aims are:



- To provide advice and assistance to migrants on immigration, welfare or health issues
- To offer a welcoming environment to migrants and help reduce social isolation
- To publicise issues relating to migrants' social and economic circumstances”

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Grant making (continued)

Examples of grant recipients (continued)

Operation Noah

Bright Now Campaign - £20,000



Bright Now is a campaign run by [Operation Noah](https://operationnoah.org.uk/), a Christian charity working with the Church to inspire action on the climate crisis. It is part of a growing global movement calling for divestment (disinvestment) from fossil fuels, but this campaign focuses specifically on churches in the UK; see <https://brightnow.org.uk/>. Churches and Christian communities in the UK are called to:

- ◆ divest from companies involved in the extraction of fossil fuels;
- ◆ take a leading and influential role in the national debate on the ethics of investment in fossil fuels;
- ◆ support the development of clean alternatives to fossil fuels through their investment policies.

“By moving their investments, Churches would demonstrate the leadership that is largely missing from our political leaders. They would offer hope by showing that radical action can be taken. And they would send a signal that the continued extraction of fossil fuels is no longer morally acceptable.”

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Grant making (continued)

Examples of grant recipients (continued)

Beyond The Page

Salary Contributions (x3) - £20,000



Beyond The Page Ltd (BTP) brings women from many different backgrounds together to break down barriers of language and cultural differences. Based in east Kent, BTP provides a unique learning, creative and socialising space where women can build trust and confidence. The primary aim is to support migrant women in particular to become active citizens.

See <http://www.beyondthepage.org.uk/>

'United Mothers' is a creative collaboration between BTP, a community arts organisation and school communities. It benefits women with childcare responsibilities who have moved into the UK and are learning English. The teaching of English for Speakers of Other Languages (ESOL) is combined with Natural Voice Techniques including singing and drama.



ACHIEVEMENTS AND PERFORMANCE (continued)

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

Grant making (continued)

Examples of grant recipients (continued)

NJA Enterprises CIC

Delivery of 'Gangs / County Lines / Knife & Gun Crime' Workshops - £25,000

NJA Creative Ltd is a commercial company offering chargeable workshops to schools, youth groups and their teachers / adult leaders, focusing on enhancing positive experiences (e.g. healthy eating, enterprise, interview techniques) whilst combatting society's ills (e.g. drugs, alcohol, teen pregnancy, bullying and knife and gun crime). The company founder and director also incorporated NJA Enterprises CIC, to offer free or subsidised workshops to schools and other youth groups unable to afford the full commercial rate; see <https://www.2020dreams.org.uk/> and <https://www.2020rising.org.uk/>. Our grant is being used to deliver workshops within our 4 preferred dioceses of Northampton, Westminster, Southwark and Brentwood.



"2020 Dreams & 2020 Rising are projects dedicated to realising a vision of a country where every child and teen has the opportunity to make up for past and present disadvantages and bring out the potential for excellence within.

2020 Dreams is for every young person, but the improvement to awareness, skills and attitude is most noticeable when it comes to children, teens and young adults from troubled backgrounds, some of who have been disengaged from healthy society for some time. To achieve real change, present difficulties and challenges have to be fully acknowledged and addressed."

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School

Our Mission & Ethos: a caring school serving our local Catholic parish, community and society

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

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

Our Aims

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Our Objectives

Our objectives are set to reflect our educational aims and ethos of the school. It is important to us that we maintain and enhance the academic and holistic success of the school. In setting our objectives and planning activities our Advisory Body has given careful consideration to the Charity Commission's public benefit guidance. Our key objectives achieved this year included:

- ◆ To maintain high pupil numbers in a period of economic uncertainty (COVID-19 pandemic and Brexit).
- ◆ To develop the school curriculum to emphasise Science, Technology, Engineering and Mathematics (STEM) projects and embrace new technologies (robotics).
- ◆ To ensure the social and physical development of all pupils is fully developed, by extending the curricular and extra-curricular programme for all abilities.
- ◆ To redevelop and enhance the EYFS outside area to maximise outdoor learning opportunities for EYFS pupils. To develop the school as an eco-friendly, sustainable school.
- ◆ To ensure the school's online presence reflects the quality of provision (website & social media).

Our school welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers at Holy Cross. Our admissions policy states that priority is to siblings, Catholics and Christians. Thereafter, an individual's economic status, ethnicity, race, religion do not form part of our assessment process. At the end of the year, the school faith profile was 43% Catholic, 29% other Christian faiths, 18% non-Christian faiths and 10% no religion.

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Achievements

The academic year started exceptionally well. In September we had a joyful visit from our sister Holy Cross School in Chalala, Lusaka, Zambia. Also we joined the Sisters of the Holy Cross in celebrating their 175th anniversary since formation. We held a special service of thanksgiving and each girl placed her finger print in a commemorative clay cross in an act of togetherness with the Holy Cross Sisters.



The school was inspected by the Southwark Diocese and recognised as an outstanding Catholic school because: the well-being and personal and spiritual development of pupils and staff is at the heart of the school's vision and mission; the quality of Collective Worship is central to the life of the school and is given the highest priority; the quality of Religious Education is outstanding; and staff know their pupils well and consistently teach lessons which enthuse and engage pupils, ensuring progress and achievement is at the highest level.

On 19 March, the school closed for seven teaching weeks in accordance with government lockdown measures to reduce the spread of COVID-19. Immediately the school switched to online teaching and learning with teachers delivering online lessons via Microsoft Teams. Pupil and parent engagement was high and the end of term assessment data showed academic achievement levels comparable to normal conditions. When schools reopened on 1 June, reception pupils, along with year 1 and 6 happily returned to school in small protected bubbles of split classes. Every member of staff pulled together as a team to ensure the whole school was able to return to school in the latter part of the term. We even managed to refurbish the early year's outdoor area complete with a new ship and mud kitchens.

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Achievements (continued)

Whilst the school was closed, a school for the children of key workers continued to thrive on the school premises. We even celebrated the 75th Anniversary of VE day in style complete with a mini street party, family memories from the time and jitterbug dancing all streamed to the online community. At the end of term even prize-giving and a special leavers Mass took place in protected bubbles. The aim was no child was to miss out where possible.



Pupil numbers at school remained stable at an average of 284 girls. Fees for the academic year 2019-20, before the deduction of any means assisted bursaries and scholarships, were set at £4,495 per term. A 30% fee discount was applied in the summer term to support families with economic hardship due to the UK national lockdown.

Spiritual life

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



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

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Spiritual life (continued)

The spirituality of the school is very much alive and the love of God is very present, this is often immediately commented upon by visitors whom on entering the school speak about a “warmth” as they sense God’s love. We met daily for collective worship, including regularly as a whole school. Children worshiped as a class including regular prayer times at the beginning, middle and end of each day. Important events in the Church’s liturgical year were recognised and celebrated through Masses celebrated by the Parish Priest and services which were prepared by staff and pupils. All parents and members of the Parish were warmly welcomed at these celebrations. The school held a weekly Time4God Group for parents which provides spiritual inspiration and an opportunity for reflection on Gospel readings through prayer and discussion. The year 3 and 4 girls enjoyed a weekly prayer club called Mustard Seeds. Year 6 faith leaders were ambassadors for the faith formation and liturgical life of the school community, supporting and developing collective worship.

We draw from a range of other religions and cultures. The study of other faiths is included in our scheme of work and we take opportunities to learn more about the faith journeys of our children from other religions and cultures. During the year, religious celebrations of other faiths were recognised within class and in assemblies. During our world faith weeks, which took place three times in the year, pupils studied Judaism, Hinduism and Islam.

2019-20 Year of STEM

The school theme for 2019-2020 was The Year of STEM. The curriculum was adapted to provide ‘plan, do, review’ STEM experiences. Legotronics (robotics) was new to the computing curriculum. Our biennial Lenten Enterprise Project became the STEMterprise Project. Having borrowed a maximum loan of £100, pupils purchased materials and collaboratively set to create a product with a sustainable focus. The entrepreneurial spirit of the girls was in full swing and their stalls quickly swapped products for cash, raising large amounts for the Chalala library project. Pupils learnt about innovation, design, finance, collaboration, marketing, problem-solving and business creating bird seed cakes, lavender pots and grow your own herbs.



Academic

This year the school had a wide range of ability in year 6. As expected in July 2020, all 39 pupils achieved national expectations with a very large proportion achieving well above:

- ◆ in maths, 98% met expectations for year 6, while 72% exceeded;
- ◆ in English reading, 100% met expectations for year 6, while 67% exceeded; and
- ◆ in English writing, 98% met expectations for year 6, while 57% exceeded.

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Academic (continued)

As in previous years, the majority of our year 6 pupils gained their first choice schools. The 39 pupils received 134 offers from 37 schools: 44% of pupils were awarded 37 scholarships and 3 Exhibitions (20 academic + 3 Exhibitions, 10 music, 1 dance, 6 sport) and 1 Elite Athlete Programme; 4 pupils passed the 11+ for Tiffin Girls School (local highly selective maintained school).

Music

Music is a very important part of the curriculum, enabling pupils to appreciate, read and make music. Over half the girls in the school took instrumental/singing lessons during the school day in a wide variety of instruments. The Head of Music conducted the school orchestra and a choir. Many pupils played in highly selective external orchestras and choirs, locally and nationally. Other music initiatives included pupils who: sang carols at a local care home for the elderly and the Christmas Fair; and the annual Spring Music Concert.

Drama

In partnership with the Music Dept. all pupils took part in musical Christmas Nativity plays and each had the opportunity to deliver lines as well as sing. Not to be defeated by the COVID-19 social distancing in place, the highly prized year 6 play took to the airwaves. Treachery at Traitor's Quay was performed live on Teams, interspersed with pre-recorded song and dance in bubbles in front of a green screen and streamed to the audience at home. Produced in collaboration with the Music Department it was an incredible professional feat achieved under difficult conditions.

Sport

The School has a 'sport for all with excellence' policy. Core curriculum sports included hockey, netball, cricket, athletics, dance, gymnastics and cross-country. Sporting activities were numerous with opportunities before and after school, as well as, at break time and lunchtime.

The school, with its exceptional, new all-weather pitches and sports pavilion has hosted many fixtures across the sporting calendar and actively participated in both prep and maintained-sector events. Many girls in years 3 to 6 had the opportunity to represent their



school in a sports team until lockdown. Even PE lessons went online when one PE teacher created fitness and skilled based practise videos for different age groups. Sports Day was adapted to become a Sporty Day where girls dressed in sport's kit, participated in a sporty activity and learned about a sporting hero.

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

Clubs

For the first part of the year until lockdown, pupils enjoyed participating in a wide variety of co-curricular clubs: Music - brass group; choir; classical guitar; flute group; jazz group; orchestra; string group; scale group; horn group. Sport – Sports For All Clubs, netball, hockey and rounders squads; judo; tennis; athletics; quicksticks hockey; playball; cricket, skipping, football. Other - advanced French; art club; ballet; hip hop; book club; chess; drama club; German; LAMDA; mustard seeds (Christian club); pottery; quiz club; science; scribblers (creative writing); Spanish; robotics; touch typing; yoga; maths; junior building imagination; and theatre craft. Forest School, Mad Science, RI Maths, Cross Stitch



The school provided highly popular wrap-around care provision to support the needs of working parents (Breakfast Club from 7:30am, Tea Club to 6:00pm and Homework Club to 6:00pm).

Bursary policy

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

The bursary awards are up to 100% of fees plus additional costs. Information about fee assistance through bursaries is available to those applying to the school. Bursaries are advertised on the school website and local parishes. Temporary hardship bursaries are available where parents have been paying full fees but then find themselves in challenging financial circumstances. This year the value of means tested bursaries totalled £126,535 and represented 3.6% of gross fees. This provided assistance to 13 pupils in 10 families. Of the 13 pupils, 8 pupils benefitted from a full remission of fees.

School partnerships

Our school partnerships seek to widen access to our education resources, by bringing independent and state school communities together in a mutually beneficial way.

Since September 2016, the school has had an official partnership with Coombe Junior School. Throughout the academic year 2019-20, our drama teacher has led a highly successful outreach project with year 5 pupils at Coombe Junior School, sharing her expertise to develop their drama skills, and confidence culminating in performances to parents.

ACHIEVEMENTS AND PERFORMANCE (continued)

Holy Cross Prep School (continued)

School partnerships (continued)

A group of local pupils from Alexandra Primary and Rokeby Boys joined the girls for a programme of Maths Master Classes led by the Royal Institution (of Science) ably assisted by sixth formers from Marymount International School. The school also hosted a retreat day for year 8 pupils from the local Catholic senior school. Many other planned, shared events were prevented from going ahead due to lockdown.

The school has a strong partnership with the Holy Cross Primary School in Chalala, Lusaka, Zambia. Once again in September pupils from Chalala joined us for a very special day. Zambian pupils attended specialist lessons, along with timetabled year 5 and 6 lessons, before mixing easily as friends at break times. The highlight was our combined harvest celebration where the Zambian pupils treated us to an offertory hymn in their native language and offered gifts of traditional Zambian products - tea, rice and sugar. As previously, our own school community generously collected and donated many pre-loved books for the Chalala school library, along with uniform and £17,000 raised at the Friends of Holy Cross (FOHC) summer ball towards funding the final four classrooms needed to grow the Zambian school to its final size.

Environmental initiatives: Eco awareness, sustainability and reducing waste.

The school has had a group of eco-councillors who serve the school encouraging and developing a culture of environmental conservation. During the year, they focused on encouraging the whole school to realise the decisions that they make on a daily basis, impact on the local and global community, with reducing waste as a key theme.

Community service and access to facilities

We see Holy Cross Prep as part of a wider community. We use the halls and school grounds for the benefit of the local community:

Charities

The school encourages its pupils to serve and give to others. The school's House Captains have some responsibility for charities the girls support during the year and organised charitable events including making sustainable decorations for sale at the Christmas Fair for the Children's with Cancer UK and the Chalala School (the chosen charity for the liturgical year 2019-20). Donations at the Evening of Music were collected for Make a Wish charity.

The girls also raised funds and gave donations for those who are less fortunate through structured fund raising both in school and independently from their own initiatives. In total the school community raised £7,009.82. This is in addition to funds raised by the Friends of Holy Cross, our parent association who continue to donate funds to their chosen charity the Holy Cross School Chalala, Zambia.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 38 of the attached accounts.

Total income in the year was £ 5,906,668 (2019 - £6,416,257) with income from educational services totalling £ 3,752,692 (2019 - £4,156,889). Income for the year includes £226,779 being monies received from the Government's Job Retention Scheme and an amount of £349,187 (2019 - £590,540) being legal costs recovered by the charity in respect to its defence of claims made by Chalfont St Peter Parish Council – see "Disposal of land at Chalfont St Peter" below.

Total expenditure in the year was £5,598,352 (2019 - £6,835,816). Expenditure on providing educational services totalled £3,779,335 (2019 - £3,910,677). Expenditure of £775,948 (2019 - £1,733,483) was incurred in maintaining sisters and enabling them to carry out their work. Expenditure of £977,434 (2019 - £1,108,043) was incurred on grants, donations and support of missionary work and ministry. The charity continued its grant making activity and grants of £977,434 (2019 - £1,108,043) were awarded as per note 8 to the accounts.

The net income for the year before investment gains was £308,316 (2019 – net expenditure of £419,559). Net investment gains amounted to £18,681 (2019 - £802,476).

The resultant net income i.e. the net increase in funds for the year was £326,997 (2019 - £382,917) giving rise to total funds at 31 August of £49,021,778 (2019 - £48,694,781).

Disposal of land at Chalfont St Peter

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

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

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

During 2019, the case was considered and the trial heard by the High Court of Justice. At the end of the trial, the Judge concluded that the claims in tort pursued by the Parish Council had failed and, consequently, they were dismissed.

FINANCIAL REVIEW (continued)

Disposal of land at Chalfont St Peter (continued)

In defending the case, the charity has incurred legal costs in respect to this particular claim totalling £1.3 million. At 31 August 2019 the charity had been awarded £590,540 in respect to these costs. In 2019-20 a further £349,187 was awarded and this amount has been included within the attached accounts as income.

Investment performance

During the year, the charity's investments achieved an income yield of 3.2% (2019 - 3.2%) and a capital yield of minus 0.98% (2019 - 2.3%). The COVID-19 pandemic adversely impacted the value of the charity's investments from March 2020 but the period to 31 August has seen recovery. The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the year, the charity's portfolio of listed investments comprised 51.5% (2019 - 33.2%) Alpha CIF for Endowment income units, 15.6% (2019 - 27.1%) UK equities, 16.5% (2019 - 24.4%) UK unit trusts, 14.7% (2019 - 13.4%) overseas equities and 1.7% (2019 - 1.7%) cash instruments.

Financial position

The balance sheet shows total funds of £49.0 million (2019 - £48.7 million), of which £3.22 million (2019 - £3.28 million) is represented by tangible fixed assets used to support the work of the sisters.

In addition, £7.5 million (2019 - £7.3 million) represents the assets designated for the use of The Holy Cross Preparatory School.

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

The trustees' have invested the proceeds from the disposal of the charity's land at Chalfont St Peter in 2016 with the intention that the resultant income is used to fund grants to other charities and individuals, provided such grants are applied for purposes consistent with the charity's charitable objectives. To this end, the trustees have established a designated grants fund which had a balance of £24.5 million at 31 August 2020 (2019 - £24.5 million). This fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust.

Details of the designated funds are given in note 21 of the attached accounts.

Free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £7,621,343 at 31 August 2020 (2019 - £7,380,347)

FINANCIAL REVIEW (continued)

Financial position (continued)

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Congregation's work, the cost of caring for the sisters and maintaining the convents etc, the level of free reserves should be approximately twelve months annual expenditure (excluding grants payable and the costs relating to the charity's independent school) to provide for contingencies and unevenness in future outcome. At 31 August 2020 the level of free reserves required under this policy would be approximately £1,113,000.

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

PLANS FOR FUTURE PERIODS

Over the forthcoming year the trustees intend that the charity will:

- ◆ Continue dealing with the challenges that the COVID-19 pandemic has brought including keeping our sisters, staff and pupils safe.
- ◆ Continue to care for the sisters and enable them to carry out their pastoral work for ministry, providing training where required.
- ◆ Maintain the high standard of academic achievement as measured by Independent Schools Inspectorate at the Holy Cross Preparatory School, Kingston Hill (The Coombe).
- ◆ Continue to promote Christian values in a Catholic setting at The Coombe, whilst welcoming pupils from different cultures, faith and countries.
- ◆ Continue to monitor the bursary policy at The Coombe.
- ◆ Encourage the development, training and continued professional development of staff at The Coombe, and other employees who work for the Sisters.
- ◆ Develop our grant making activity to support projects in line with our charism.

PLANS FOR FUTURE PERIODS (continued)

- ◆ Continue to move towards the creation of a new charity through which the school activities will be administered in the future.
- ◆ Continue to work towards the creation of a Charitable Incorporated Organisation (CIO) into which we will transfer the assets, liabilities and activities (excluding Holy Cross Prep) of the charitable trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

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

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

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

Sister Sheila Brennan

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Sister Margaret Donovan

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

Sister Ursula Eberhardt

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

Sister Elizabeth O'Donohoe

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

Statement of trustees' responsibilities

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

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

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

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

The English Province comprises of 16 sisters. One community is situated in Buckinghamshire and the rest are in or near London. The Provincial Leader communicates and visits the sisters throughout the year and ensures their wellbeing.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Structure and management reporting (continued)

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

Key management personnel

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

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

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

Working with other organisations

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Raising funds

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

Risk assessment and control

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

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

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

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members of the Congregation have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity works with children and vulnerable adults including older people. The charity has a safeguarding policy which all employees are aware of, and trustees attend workshops and seminars to ensure they are up to date with changing legislation.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk assessment and control (continued)

- ◆ The charity donates monies in support of the wider Congregation and other organisations. The majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and their performance and that of the portfolios is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ Were the Holy Cross Preparatory School to experience a downturn in pupil numbers in the current economic climate, the school could run into financial difficulty. The trustees ensure there are robust financial systems and good policies in place to provide adequate warning and allow action to be taken should this situation arise.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

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

Signed on behalf of the trustees:

Sister Margaret Donovan
Trustee

Approved by the trustees on: 27 January 2021

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

Opinion

We have audited the accounts of Sisters of the Holy Cross Charitable Trust (the charity) for the year ended 31 August 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, a summary of the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 25 February 2021

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 2020

	Notes	Total funds 2020 £	Total funds 2019 £
Income from:			
Donations	1	397,135	479,935
Investments and bank deposits	2	1,180,875	1,188,893
Charitable activities			
. Provision of education	3	3,752,692	4,156,889
Other sources:			
. Job Retention Scheme (Covid-19)		226,779	—
. Award of legal costs	4	349,187	590,540
Total income		5,906,668	6,416,257
Expenditure on:			
Raising funds			
. Investment management costs	5	65,635	83,613
Charitable activities			
. Provision of education	6	3,779,335	3,910,677
. Support of members of the Congregation and their ministry	7	775,948	1,733,483
. Grants, donations and support of missionary work and ministry	8	977,434	1,108,043
Total expenditure		5,598,352	6,835,816
Net income (expenditure) for the year before investment gains	10	308,316	(419,559)
Net gains on the revaluation and disposal of investments	15	18,681	802,476
Net income and net movement in funds		326,997	382,917
Reconciliation of funds:			
Fund balances brought forward at 1 September 2019		48,694,781	48,311,864
Fund balances carried forward at 31 August 2020		49,021,778	48,694,781

All income and expenditure in 2020 and 2019 relates to unrestricted funds with the exception of £179,846 in 2019 being restricted donations towards the cost of a new sports pavilion and new sports pitch at the charity's school. All monies raised for this purpose were utilised during 2019 and a transfer to the tangible fixed asset fund made to reflect the completion of the sports pavilion and pitch during 2019 (note 19).

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

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

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		10,559,870		10,909,223
Investments	15		37,480,179		37,527,133
			48,040,049		48,436,356
Current assets					
Stock		10,701		17,014	
Debtors	16	454,110		293,751	
Cash at bank and in hand		1,416,265		1,041,888	
		1,881,076		1,352,653	
Creditors: amounts falling due within one year	17	(669,447)		(851,378)	
Net current assets			1,211,629		501,275
Total assets less current liabilities			49,251,678		48,937,631
Creditors: amounts falling due after more than one year	18		(229,900)		(242,850)
Total net assets			49,021,778		48,694,781
The funds of the charity:					
Restricted funds	19		—		—
Unrestricted funds					
. Tangible fixed asset fund	20		3,221,744		3,287,258
. Designated funds	21		38,178,691		38,027,176
. General funds			7,621,343		7,380,347
Total funds			49,021,778		48,694,781

Approved by the trustees
and signed on their behalf by:

Sister Margaret Donovan
Trustee

Approved on: 27 January 2021

Statement of cash flows Year to 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(825,616)	(1,183,336)
Cash flows from investing activities:			
Investment income and interest received		1,134,358	1,195,451
Purchase of tangible fixed assets		—	(1,193,047)
Proceeds from the disposal of investments		6,655,132	3,602,578
Purchase of investments		(6,588,886)	(3,614,749)
Net cash provided by (used in) investing activities		1,200,604	(9,767)
Change in cash and cash equivalents in the year		374,988	(1,193,103)
Cash and cash equivalents at 1 September 2019	B	1,691,681	2,884,784
Cash and cash equivalents at 31 August 2020	B	2,066,669	1,691,681

Notes to the statement of cash flows for the year to 31 August 2020.

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	326,997	382,917
Adjustments for:		
Depreciation charge	349,353	388,413
Gains on investments	(18,681)	(802,476)
Investment income and interest receivable	(1,180,875)	(1,188,893)
Decrease (increase) in stocks	6,313	(1,344)
(Increase) in debtors	(113,843)	(27,824)
(Decrease) increase in creditors	(194,880)	65,871
Net cash used in operating activities	(826,616)	(1,183,336)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,416,265	1,041,888
Cash held by investment managers	650,404	649,793
Total cash and cash equivalents	2,066,669	1,691,681

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 2020 with comparative information provided in respect to the year to 31 August 2019.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the 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 full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still unknown. However, the trustees do not consider that there will be any material impact on income or expenditure and, therefore, on the charity's financial position.

The charity's income will be affected because of falls in dividends as investment markets and the corporate sector, in particular, react to the economic difficulties caused by the pandemic.

Holy Cross Prep School will continue to face some operational challenges. On 19 March, the school closed for seven teaching weeks in accordance with government lockdown measures to reduce the spread of COVID-19. Immediately the school switched to online teaching and learning with teachers delivering online lessons via Microsoft Teams. Pupil and parent engagement was high and the end of term assessment data showed academic achievement levels comparable to normal conditions. When schools reopened on 1 June, reception pupils, along with year 1 and 6 happily returned to school in small protected bubbles of split classes. Every member of staff pulled together as a team to ensure the whole school was able to return to school in the latter part of the term. Pupil numbers at school remained stable at an average of 284 girls. Fees for the academic year 2019-20, before the deduction of any means assisted bursaries and scholarships, were set at £4,495 per term. A 30% fee discount was applied in the summer term to support families with economic hardship due to the UK national lockdown. Whilst there may be some impact on future income and expenditure levels in respect to the school, the trustees do not anticipate any material changes.

Throughout the pandemic, the trustees will continue to keep all income and expenditure under review.

Whilst there will undoubtedly be challenges ahead, the trustees do not expect concerns to arise over the charity's financial position. Therefore, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Assessment of going concern (continued)

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

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

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

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

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

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

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

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

Income recognition (continued)

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

Income from the Government's Job Retention Scheme in respect to the Covid-19 is accounted for when 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.

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

Expenditure recognition

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

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

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

Expenditure recognition (continued)

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Tangible fixed assets

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

◆ **Freehold land and buildings**

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

Tangible fixed assets (continued)

◆ Freehold land and buildings (continued)

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

◆ Furniture, equipment and motor vehicles

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

Investments

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

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

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

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

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

Services provided by members of the Congregation

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

Pension costs

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

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

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

1 Income from: Donations

	Total 2020 £	Total 2019 £
Salaries and pensions of individual religious received under deed of covenant	374,271	296,704
Other donations	22,864	183,231
	397,135	479,935

In 2019, other donations included £179,846 to be applied towards the cost of a sports pavilion and sports pitch at Holy Cross Preparatory School, Kingston Hill. In 2018, £80,000 was received for the same purpose. During 2019, the sports pavilion and pitch were constructed and the monies received in both 2018 and 2019 were applied towards the cost (note 19).

2 Income from: Investments and bank deposits

	Unrestricted Total 2020 £	Total 2019 £
Income from listed investments	1,172,068	1,175,575
Interest on cash held by investment managers	3,307	2,209
Interest on short-term deposits	5,494	11,104
Other bank interest	6	5
	1,180,875	1,188,893

3 Income from: Provision of education

	Unrestricted Total 2020 £	Total 2019 £
School fees and related charges	3,752,692	4,156,889

4 Income from: Award of legal costs

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

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

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

During 2019, the case was considered and the trial heard by the High Court of Justice. At the end of the trial, the Judge concluded that the claims in tort pursued by the Parish Council had failed and, consequently, they were dismissed.

In defending the case, the charity has incurred legal costs in respect to this particular claim to approximately £1.3 million. At 31 August 2019 the charity had been awarded £590,540 in respect to these costs and during 2020 a further £349,187 was awarded and this amount has been included within these accounts as income.

5 Expenditure on: Investment management costs

	Unrestricted	
	Total 2020 £	Total 2019 £
Investment managers' fees	65,635	83,613

6 Expenditure on: Provision of education

	Unrestricted	
	Total 2020 £	Total 2019 £
Teaching	3,016,695	3,042,396
Welfare	13,643	20,888
Premises	318,859	357,932
Management and administration	430,139	489,461
	3,779,336	3,910,677

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

	Unrestricted	
	Total 2020 £	Total 2019 £
Staff costs (note 12)	266,052	193,595
Premises	227,386	258,072
Sisters' living and ministry expenses	225,158	246,187
Education, training and spiritual renewal	17,562	12,615
Governance costs (note 10)	39,790	1,023,014
	775,948	1,733,483

8 Grants, donations and support of missionary work and ministry

	Unrestricted	
	Total 2020 £	Total 2019 £
Contribution to the Generalate of the Congregation towards formation expenses	253,000	125,000
Annual contribution to the Generalate of the Congregation	23,779	14,491
Contribution to the General Chapter	35,000	21,550
Donations in support of the Congregation's missions	13,138	14,501
Grants payable to other organisations (see below)	639,851	920,158
Grant administration costs	12,666	12,353
	977,434	1,108,043

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

Grants payable to other organisations	Total 2020 £	Total 2019 £
Parish of Ss Philip & James		
. Youth worker salary	—	42,056
Diocese of Westminster		
. Caritas Bakhita House running costs	—	15,000
Whiles Farm Trust		
. Noah's Camp 2019	3,000	5,000
Baytree Centre, Brixton		
. FATIMA Project	—	25,000
NOAH Enterprise		
. Bright Now campaign	—	20,000
Operating Noah	20,000	—
Cardinal Hume Centre		
. Annual running costs	21,500	25,000
Slough Winter Night Shelter		
. Purchase of Minibus	—	25,000
Nicholas Brakespear School		
. I T infrastructure	—	20,000
Catholic Truth Society		
. Production of prayer book for use in prisons	—	10,088
St Thomas More Secondary School		
. Life skills kitchen, fittings and equipment	—	15,000
Wonder Foundation		
. Mentoring scheme & Awareness Workshops	—	10,000
CAFOD		
. 'Idai Appeal	—	1,000
Young Christian Workers		
. Annual running costs	—	20,000
Café (Crew Trust)	5,000	—
Catholic Voices	5,000	—
Marillac Neurological Care Centre	5,000	—
St Bernadettes Primary School	5,410	—
The ASCENT UK (Crew)	5,460	—
BSL Bible Translation	10,000	—
CSAN	10,000	—
Vineyard Community Centre	10,000	—
Diocese of Westminster Youth Ministry	10,000	—
NJA Enterprises	25,000	—
Catholic Worker Farm		
. Annual running costs	—	20,000
Amber Trust (Little Amber)		
. Annual running costs	—	25,000
CELEBRATE		
. Training programme for young people	—	7,500
Sub-total carried forward	135,370	285,644

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

Grants payable to other organisations	Total 2020 £	Total 2019 £
Sub-total brought forward	135,370	285,644
St Vincent de Paul Society (SVP)		
. 1833 Apostolate Consultant salary	—	10,000
Sion Catholic Community		
. Floor coverings	—	12,306
Women at the Well		
. Kings Cross refuge centre running costs	—	25,000
Crew Trust		
. Sponsoring "Breathe"/Baptism film	—	4,000
St Gabriel's House Pimlico		
. Refurbishment Project	—	10,000
Tiptree Youth Project		
. Christian Youth worker salary	—	19,837
Notre Dame de France		
. Festival running costs	—	10,000
Catholics for AIDS prevention		
. Consultant's salary	—	37,500
Centre for the Art of Dying Well		
. Director's salary	—	39,822
Soundabout		
. Music therapist for SN schools salary	—	238
St Joseph's Church		
. Laptops	—	10,000
Youth 2000		
. Operations Support Leader costs	—	8,000
The Holy Cross School, New Malden		
. Monstrance and ciborium	—	500
John Henry Newman Church		
. PC's and laptops	—	15,000
Pax Christi		
. Educational officer's salary	—	40,000
Pimlico Music Foundation		
. Annual running costs	10,000	15,000
CYMFed		
. Flame 2019	—	25,000
National Justice and Peace Network		
. Salary – Administrator	—	19,000
. Tech support	—	6,000
St Vincent's Family Project		
. Annual running costs	15,000	25,000
Roxeth Community Church		
. Salary – Youth Worker	—	30,000
. Pool table & laptop	—	1,000
St Thomas More Language College		
. Cookers	—	2,820
Sub-total carried forward	160,370	651,667

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

Grants payable to other organisations	Total 2020 £	Total 2019 £
Sub-total brought forward	160,370	651,667
Sound Connections		
. Annual running costs	10,000	15,000
CREW Trust		
. Baptism film	—	10,000
Uganda Piggery		
. Youth initiatives	—	12,578
Durham University		
. Bursary Fund	—	20,000
Beyond the Page		
. Salary – Cost Teaching Assistant/Sessional Facilitator	20,000	25,000
South Harrow Christian Fellowship		
. Salary – Outreach Coordinators	—	25,000
Brentwood Catholic Children's Services		
. Salary – Counsellor	15,000	24,616
Centre for Adults		
. Salary – Lead Family Support Worker	—	13,592
C2C Social Action Northampton		
. Salary – CEO	17,000	22,776
Quiet Garden Trust		
. Salary – Development Project Manager	—	16,362
London Catholic Worker		
. Counselling/Wellbeing activities	—	20,000
Workaid		
. Salary – Hub Supervisor/Fundraising & Comms Manager	20,000	25,000
Medaille Trust		
. Refurbishment of Safe House	—	13,592
Rise Theatre		
. Development of new portfolio	—	24,975
MHA Northwood 'Live At Home' Scheme		
. Activity Co-ordinator's salary	20,000	—
All Saints Catholic School	14,400	—
All Saints Catholic College	15,000	—
Crossroads Care, Surrey	18,480	—
Hillingdon Autistic Centre	20,000	—
Ignite Trust, Harrow		
. Detached youth work project	10,000	—
Sub-total carried forward	340,250	920,158

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

	Total 2020 £	Total 2019 £
Grants payable to other organisations		
Sub-total brought forward	340,250	920,158
St Christopher's Fellowship		
. Life Skills Programme	20,000	—
West London Mission		
. Seymour Place Day Centre running costs	20,000	—
Friends of the Holy Land		
. School of Joy running costs	25,000	—
St Alban's Youth Ministry	15,000	—
Tyburn Convent	15,000	—
Green Christian	16,461	—
Wellspring Community	15,000	—
Across – Jumbalance	25,000	—
Freddie Farmer Foundation	25,000	—
Hackney Migrant Centre	25,000	—
Southwark Diocese Welcare	25,000	—
Thames Hospice	25,000	—
The Red Trust Bushey	20,640	—
Diocese of Northampton	20,000	—
Catholic Worker School	7,500	—
	639,851	920,158

9 Governance costs

	Unrestricted	
	Total 2020 £	Total 2019 £
Legal and professional fees	39,790	1,023,014

The costs of £39,790 (2019 - £1,023,014) include solicitors' fees and related charges totalling £14,016 (2019 - £989,520) in connection with a dispute with Chalfont St Peter Parish Council (note 5).

10 Net income (expenditure) for the year before investment gains

This is stated after charging:

	2020 £	2019 £
Staff costs (note 12)	2,862,471	2,625,828
Auditor's remuneration (including VAT)		
. Audit services – current year	25,560	24,824
. Audit services – prior year	4,440	—
. Other services: HR support	4,080	3,120
. Other services: advisory	—	1,740
Depreciation (note 15)	349,353	388,413

11 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	2,311,417	2,188,819
Social security costs	220,655	207,393
Other pension costs	330,399	229,616
	2,862,471	2,625,828
Staff costs per function were as follows:		
Provision of education	2,583,753	2,419,880
Support of members of the Congregation and their ministry (note 7)	266,052	193,595
Grant administration (note 8)	12,666	12,353
	2,862,471	2,625,828

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

	2020 No.	2019 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1

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

	2020 No.	2019 No.
Provision of education	71	68
Support of members of the Congregation and their ministry	12	10
Grant administration	1	1
	84	79

11 Staff costs and remuneration of key management personnel (continued)

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

The total remuneration (including taxable benefits, employers' pension contributions and employers national insurance) of the key management personnel for the year was £124,438 (2019 - £109,189).

12 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2019 - £nil).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £191,790 (2019 - £97,863).

During the year £500 (2019 - £500) was donated to The Holy Cross School, a charity in which Sister Margaret Donovan is a trustee.

13 Taxation

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

14 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment	Motor vehicles	Total
	Specialised £	Non-specialised £	£	£	£
Cost or valuation					
At 1 September 2019	13,729,397	698,565	966,512	105,841	15,500,315
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
At 31 August 2020	<u>13,729,397</u>	<u>698,565</u>	<u>966,512</u>	<u>105,841</u>	<u>15,500,315</u>
At cost	10,979,397	183,565	966,512	105,841	12,235,315
At deemed cost based on 1993 valuation	<u>2,750,000</u>	<u>515,000</u>	<u>—</u>	<u>—</u>	<u>3,265,000</u>
	<u>13,729,397</u>	<u>698,565</u>	<u>966,512</u>	<u>105,841</u>	<u>15,500,315</u>
Depreciation					
At 1 September 2019	3,550,576	—	938,929	101,587	4,591,092
Charge for the year	<u>330,400</u>	<u>—</u>	<u>16,828</u>	<u>2,125</u>	<u>349,353</u>
At 31 August 2020	<u>3,880,976</u>	<u>—</u>	<u>955,757</u>	<u>103,712</u>	<u>4,940,445</u>
Net book values					
At 31 August 2020	<u>9,848,421</u>	<u>698,565</u>	<u>10,755</u>	<u>2,129</u>	<u>10,559,870</u>
At 31 August 2019	<u>10,178,821</u>	<u>698,565</u>	<u>27,583</u>	<u>4,254</u>	<u>10,909,223</u>

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

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

15 Investments

	2020 £	2019 £
Listed investments		
Market value at 1 September 2019	36,877,340	36,062,693
Additions at cost	6,588,886	3,614,749
Disposals at book value (Proceeds:£6,654,654; realised losses £387,802)	(7,042,456)	(3,521,000)
Net unrealised gains	406,005	720,898
Market value at 31 August 2020	36,829,775	36,877,340
Cash held by investment managers for re-investment	650,404	649,793
	37,480,179	37,527,133
Cost of listed investments at 31 August 2020	32,616,662	32,934,010

Listed investments held at 31 August 2020 comprised the following:

	2020 £	2019 £
UK charity authorised investment funds and common investment funds	19,297,008	12,473,839
UK equities	5,859,772	10,190,103
UK unit trust	6,165,94	9,180,273
Overseas equities	5,507,048	5,033,125
	36,829,775	36,877,340

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

At 31 August 2020, listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
BlackRock Charity Growth and Income (see below)	6,217,256	16.9
Sarasin Endowments income units	13,079,752	35.5

In December 2019, BlackRock ceased to operate various Common Investment Funds (CIFs) having obtained permission from both the Charity Commission and the FSA to convert them to Charity Authorised Investment Funds (CAIFs). As such in December, the units held in BlackRock CIFs were transferred to the BlackRock Catholic Charities Growth and Income Fund to a value equal to the carrying value of the CIF at the date of transfer.

16 Debtors

	2020 £	2019 £
School fees and related charges	4,081	7,273
Investment income receivable	228,983	182,467
Job Retention Scheme income receivable	74,894	—
Prepayments and other accrued income	146,152	104,011
	454,110	293,751

17 Creditors: amounts falling due within one year

	2020 £	2019 £
Expense creditors and accruals	228,566	232,212
Additions to tangible fixed assets	—	97,987
Social security and other taxes	88,260	76,992
School entrance deposits	28,050	32,800
Tuition fees received in advance	229,153	208,631
Grants payable	95,418	202,756
	669,447	851,378

18 Creditors: amounts falling due after more than one year

	2020 £	2019 £
School entrance deposits	229,900	242,850

19 Restricted funds

	2020 £	2019 £
Sports pitch and pavilion fund		
At 1 September 2019	—	80,000
Income	—	179,846
Transfer to tangible fixed assets fund	—	(259,846)
At 31 August 2020	—	—

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

20 Tangible fixed assets fund

	2020 £	2019 £
At 1 September 2019	3,287,258	3,353,092
Movement in year	(65,514)	(65,834)
At 31 August 2020	3,221,744	3,287,258

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

21 Designated funds

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

	At 1 September 2019 £	New designations £	Utilised/ released £	At 31 August 2020 £
School fund	7,327,176	151,515	—	7,478,691
Retirement reserve	6,200,000	—	—	6,200,000
Grants fund	24,500,000	—	—	24,500,000
	38,027,176	151,515	—	38,178,691

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

♦ School fund

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

♦ Retirement reserve

This fund consists of monies set aside by the trustees to provide for the future costs of providing nursing and care costs to elderly sisters and also to provide for sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 16 sisters.

21 Designated funds (continued)

♦ Grants fund

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

22 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds			Total 2020 £
		Tangible fixed assets fund £	Designated funds £	General funds £	
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	3,221,744	7,338,126	—	10,559,870
Fixed asset investments	—	—	30,700,000	6,780,179	37,480,179
Net current assets	—	—	370,465	841,164	1,211,629
Creditors: amounts falling due after more than one year	—	—	(229,900)	—	(229,900)
	—	3,221,744	38,178,691	7,621,343	49,021,778

	Restricted funds £	Unrestricted funds			Total 2019 £
		Tangible fixed assets fund £	Designated funds £	General funds £	
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	—	3,287,258	7,621,965	—	10,909,223
Fixed asset investments	—	—	30,700,000	6,827,133	37,527,133
Net current assets	—	—	(51,939)	553,214	501,275
Creditors: amounts falling due after more than one year	—	—	(242,850)	—	(242,850)
	—	3,287,258	38,027,176	7,380,347	48,694,781

23 Pension commitments

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

Teachers' Pension Scheme (TPS)

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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

The employer's pension costs paid to TPS in the period amounted to £270,639 (2019 - £196,496).

24 Ultimate control

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