

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



*Registered Charity*

*Number 221319*

**Annual Report and Accounts**

31 August 2016

## Contents

### Reports

Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	3
Independent auditor's report	35

### Accounts

Statement of financial activities	37
Balance sheet	38
Statement of cash flows	39
Principal accounting policies	40
Notes to the accounts	47

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

<b>Trustees</b>	Sister Maria Vaz Pinto Sister Sarah-Anne Kane Sister Patricia Lynch Sister Eileen O'Neill Sister Noella Pereira Sister Marta Silva
<b>Sister Provincial</b>	Sister Maria Vaz Pinto
<b>Provincial Bursar</b>	Sister Marta Silva
<b>Address</b>	25 Saint Edmund's Terrace St John's Wood London NW8 7PY
<b>Charity registration number</b>	221319
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	National Westminster Bank plc 102 St John's Wood High Street London NW8 7SD  Barclays Bank plc 40 Wellington Road St John's Wood London NW8 9TJ  Lloyds TSB plc 4 Castle Street Christchurch Dorset BH23 1DU

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

### **Bankers** (continued)

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

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

Santander UK plc  
100 Ludgate Hill  
London  
EC4M 7NJ

### **Investment managers**

Charles Stanley Asset Management  
25 Luke Street  
London  
EC2A 4AR

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

J P Morgan Asset Management  
Finsbury Dials  
20 Finsbury Street  
London  
EC2Y 9AQ

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### **Solicitors**

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

## **Trustees' report 31 August 2016**

The Trustees present their statutory report together with the accounts of the Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust (the 'Charity') for the year ended 31 August 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 40 to 46 of the attached accounts and comply with the Charity's trust deed, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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

### **CONSTITUTION**

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

### **HISTORY**

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

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

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

### **HISTORY** (continued)

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

In 1957 the Congregation expanded to Ireland and opened a retreat house in Finglas, in the north of Dublin. In 1966 a University Residence was opened in the South of Dublin in Avoca Avenue, Blackrock. When, in 1971, at the request of the Archbishop, the Sisters took over the management of a Primary and a Secondary School in Stillorgan, in the south of Dublin, the University residence was also transferred there.

While the whole School campus in the South of Ireland continues to flourish, the retreat house in Finglas was sold in 1996 and most of the resulting funds were donated to the English Charity in 2012.

In 2014, the Congregation began a new chapter of its history in England, with the erection of the Atlantic Europe Province, in order to respond to the challenge of a New Evangelization of Europe, as described below in "Achievements and performance". The Canonical union took place on 1 January 2014 but it has had no impact on the scope and governance of the Charity itself.



Province Assembly – Palmela – October 2015

### **OBJECTIVES AND ACTIVITIES**

#### **Mission and policies**

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

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

## OBJECTIVES AND ACTIVITIES (continued)

### Mission and policies (continued)

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

#### ♦ Education

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

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

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

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

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

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

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

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Mission and policies** (continued)

#### ♦ Education (continued)

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

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

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

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

#### ♦ Social and pastoral work

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

One Sister is part of the Justice and Peace Commission for the Southwark Diocese.

Another Sister represents the Parish in Interfaith and Churches Together dialogue and activities.

Another Sister works with groups of young adults (CLC – Christian Life Communities) and is part of a team of Retreat in Daily Life.

Another Sister works as a volunteer in Saint John's Hospice.

### **Grants and donations**

The Handmaids of the Sacred Heart of Jesus in England is part of an international Congregation with communities in 26 countries.

The Trustees are aware of their obligation to assist the Sisters' mission in third world countries and, for this purpose, a contribution is sent each year to the Congregation's general fund in Rome.

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



## **OBJECTIVES AND ACTIVITIES** (continued)

### **Grants and donations** (continued)

The Trustees also continue to give some financial support to organisations within Great Britain whose work is consistent with the objects of the Charity such as CAFOD (the official aid agency of the Catholic Church in England and Wales and part of Caritas International), the Medaille Trust (a charity to support women, men and children freed from trafficking) and Providence Row (a charity that works with homeless population).

### **Care of the elderly**

The Charity actively supports the aims of the legislation to provide quality care for the elderly. To achieve this objective, we carefully ensure that our elderly and sick Sisters are cared for lovingly and efficiently and, as much as possible, within their own communities, which mean “home” for them. During the year, four Sisters in London community benefitted from twenty-four-hour care, one of which has recently passed away.

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

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

### **Formation of younger Sisters**

Prior to joining the Congregation, those younger Sisters now in formation had finished their school and university education and some had professional careers. However, their formation as Religious Sisters, and their experience of the mission in the Congregation takes several more years to acquire. During 2015/16, the Atlantic Europe Province had 19 Sisters at the different stages of the Handmaid's Formation Program:

- ◆ Three postulants and six novices are in a community specifically dedicated and carefully prepared to give formation, in Palmela, Portugal;
- ◆ Five Sisters studying Philosophy and Theology are in Madrid (Universidad Pontificia de Comillas);
- ◆ Three Sisters are receiving practical formation, two in Oporto, Portugal and one in Lisbon;
- ◆ Two others attended the Program's final phase, called Third Probation, just before perpetual Vows, as part of an international group, at the General Curia in Rome.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Formation of younger Sisters (continued)**



Some of the Sisters in formation 2015/16

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

## **ACHIEVEMENTS AND PERFORMANCE**

### **Education**

The following is a summary of the achievements of Saint Christina's Preparatory School during the year:

The governors and Senior Management Team agreed the following key strategic objectives:

1. To provide outstanding and inspirational teaching within a broad and stimulating curriculum that caters for the needs of all learners.
2. In the context of the mission as a Catholic School, to offer excellent pastoral care in a school that is safe, healthy, secure and environmentally aware.
3. To raise the profile of Saint Christina's School through curricular and extra-curricular development, programmes of enrichment and links with the wider community.
4. To review and develop the use of the School's resources including staff, governors, links with parents and ICT.

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

### **Education** (continued)

#### ***Academic and curriculum achievements***

##### *Curriculum Development*

This year the team at St Christina's has continued to review and amend all school policies relating to the curriculum, reviewed the role of Subject Leaders, completed individual subject audits and in light of their findings, has standardised how to plan, monitor and develop curricular provision in order to provide a richer curricular experience to pupils, as well as greater oversight to the Senior Management Team, governing body and Trustees.

The revised school timetable at KS (Key Stage) 1 and KS2 implemented from September 2015 operating on a 7 period timetable with each period lasting 45 minutes has worked well. Aspects of the curriculum have been taught in line with the new National Curriculum, for example:

#### ♦ **Maths**

All teachers received training on the new Maths curriculum and the school implemented the new Cambridge published scheme.

#### ♦ **Science**

The Science curriculum is in line with the National Curriculum. The specialist Science teacher appointed in September 2015 for KS2 Science has helped to raise standards in the teaching of Science and the dedicated space within the School to facilitate the delivery of the curriculum has worked extremely well.

#### ♦ **ICT**

All classes are now equipped with iPads (Nursery – Year 4) and Chromebooks (Year 5 – Year 6), with sufficient numbers for classes to operate on a one device per two children basis. Year 3 and Year 4 are able to use Chromebooks when required and Year 5 and Year 6 also use iPads. The school has upgraded its internet speed to approximately 80 Mbps to accommodate the additional devices and has appointed a Lead Practitioner for its digital strategy. Parents Link funded £15,000 towards the cost of digital strategy which also includes a rolling programme of hardware replacement. Staff are researching apps to use for each subject area and some have attended animation software training.

#### ♦ **English / Literacy**

A new spelling scheme has been purchased and the spelling programme throughout the School allows greater consistency, particularly at key transition points e.g. KS1 to KS2. The school will continue to update reading books in KS1 and KS2.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Education** (continued)

***Academic and curriculum achievements*** (continued)

*Curriculum Development* (continued)

♦ **RE**

The School has purchased the new 'Way, Truth and Life' Scheme and has strengthened links with the Diocese of Westminster with visits from the Primary RE advisor and the Chief Inspector of Schools for the Diocese.

♦ **Computing**

The curriculum review highlighted the need for a fresh Computing curriculum and a more cross-curricular approach to ICT in general.

♦ **Spanish**

This year Spanish classes placed greater emphasis on the conversational aspects of the language.

♦ **PE**

All KS2 classes are allocated 3 periods of PE: 1 x 45 minute and 1 x 90 minute slot. The 90-minute slot allowed greater use of local facilities and the School used some space in Regents Park and Primrose Hill. The School continued to use Seymour Leisure Centre for swimming.

♦ **Learning Support and Extension**

Staffing changes enabled the School to review its provision for Learning Support and Extension and bring all of the component elements under one umbrella. The Head of Learning Support and Extension encompassed provision for those with Special Educational Needs (SEN), those identified as Able, Gifted and Talented (AG&T) and those with English as an Additional Language (EAL). In line with the new SEN Code of Practice 2014, class teachers assumed greater responsibility for individual provision and continued to offer group sessions and 1:1 where applicable.

♦ **Early Years Foundation Stage (EYFS)**

This year the School continued to use the '2build a profile' app to record and report on progress in the Nursery. This programme was extended to Reception.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Education** (continued)

***Academic and curriculum achievements*** (continued)

*Curriculum Development* (continued)

♦ **Recording and Assessment**

The School has reviewed how it assesses, records and reports on pupil progress, looking closely at the data held on children. It is looking particularly at Cognitive Ability Tests (CATs), individual learning styles and how these can assist teachers in future planning. Mid-year reports included standardised test scores for the first time.

♦ **Healthy Schools Initiative**

In conjunction with Fit for Sport, the School is reviewing how it educates children to lead healthier lifestyles and has introduced a series of lessons on healthy living.

♦ **Online-Safety**

The School has continued to run information evenings for parents on responsible use of the internet for young people. It has a dedicated Online-Safety Prefect from Year 6.

*Development and Enrichment*

This year children have enjoyed a variety of workshops, visiting speakers, visiting authors and educational visits. Highlights include:

- ♦ Science and Design technology workshops
- ♦ Nursery Ducklings
- ♦ Enigma code breaking
- ♦ Book Week
- ♦ Science Week
- ♦ Be Spirited Day
- ♦ Ten Ten Theatre Company
- ♦ Life Bus (Personal, Social, Health and Economic Education)
- ♦ Inter-School Maths Challenge

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

### **Education** (continued)

#### ***Academic and curriculum achievements*** (continued)

##### *Development and Enrichment* (continued)

- ◆ Junior Maths Challenge
- ◆ Y5 and Y6 School Journey (Buxton)
- ◆ London Zoo
- ◆ The Ragged School
- ◆ Mayor's Question Time
- ◆ Friendship Friday – The School invited pupils and teachers from St Joseph's School in Maida Vale to attend an afternoon in School and to take part in Mass.
- ◆ **School Council**  
The School Council remit has been expanded. The children now have a great say in School life and have a budget. The School will continue to support and expand the role and involvement of the School Council.
- ◆ **Sports fixtures**  
The amount of competitive sporting fixtures has increased. Year 4 has now joined the formal league which Year 5 and 6 joined last year. It is important that pupils have greater exposure to the lessons learned from being part of a committed team.
- ◆ **Extra-Curricular Offerings**  
In the past year the School has introduced an iPad animation club, an African Drumming club and an Intermediate Choir to supplement the existing choirs.
- ◆ **Fundraising**  
Fundraising continues to be an important part of School life and an excellent opportunity for children to contribute to the common good. The School has a dedicated Year 6 Charities Prefect. Fundraisers throughout the year have included:
  - ◇ Friendship Friday Kidscape charity
  - ◇ Harvest Festival food collection for the Dallow Homeless Centre
  - ◇ Poppy Appeal

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Education** (continued)

***Academic and curriculum achievements*** (continued)

*Development and Enrichment* (continued)

♦ **Fundraising** (continued)

- ◇ Boxes of Love for Africa – 100 boxes
- ◇ Warmer Winter Appeal – clothes donations to Cardinal Hume Centre, Westminster
- ◇ Christmas Sweater Day in aid of The British Red Cross
- ◇ Carol Service Collections in aid of The Passage Homeless Charity, Providence Row and Neighbourcare
- ◇ Charity Coffee mornings throughout the year (Catholic Children's Society, Wellbeing for Women)
- ◇ Lenten Appeal
- ◇ Dress in red – British Heart Foundation
- ◇ Easter Raffle – St John's Wood Hospice
- ◇ CAFOD fundraising for Syria
- ◇ Homeless of Kilburn

***Involvement in the community***

Throughout the year pupils and staff are encouraged to take part in activities which help the local community.

*Spiritual development*

Examples of activities include:

- ♦ Weekly masses led by pupils
- ♦ Sacrament of Reconciliation for pupils in Year 4 to Year 6
- ♦ Year 3 Sacrament of Reconciliation
- ♦ Year 3 First Holy Communion preparation and celebration
- ♦ Year 6 gave a beautiful performance of the Easter Story to parents and pupils in the Lent term.

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

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

### **Education** (continued)

#### ***Involvement in the community*** (continued)

##### *Spiritual development* (continued)

- ◆ The Early Years Foundation Stage Phase Leader continued to lead liturgies for the youngest pupils and their parents.
- ◆ Year 5 attended the Good Shepherd Mass at Westminster Cathedral
- ◆ KS1 pupils participated in a spiritual retreat led by Father Terry Murray
- ◆ The RE Coordinator led Be Spirited Day
- ◆ Ten Ten theatre Company – Primary School Relationships Workshops

#### ***Management and staff development***

##### *Governance*

This year the School implemented its new structure of governance which was approved by the Governing Body last year. This structure included premises and resources, staffing, health and safety, finance and curriculum/pupil welfare/ standards. The new structure allowed both the Governing Body and Trustees greater oversight on a day-to-day basis

##### *Policy and compliance*

Although the School is an independent school, it is a highly regulated organisation and as such must ensure compliance with Department for Education regulations in a wide range of areas: curriculum, pastoral care, staffing, safeguarding, health and safety and the Early Years Foundation Stage. It has reviewed and amended all School policies to ensure compliance in these areas.

##### *Standardising practice*

This was a key area of development for the Senior Team – consistency and transparency in our procedures enabled better oversight and monitoring and ensured that staff would be treated equitably. The following is a list of some of the changes:

- ◆ All curriculum leaders have conducted audits of their subject and produced short term and long term, costed action and development plans which highlight curricular and training needs.
- ◆ Timetables have been updated to reflect the use of Teaching Assistants during the School day and from September all academic staff will have a formalised timetable.



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

### **Education** (continued)

#### ***Management and staff development*** (continued)

##### *Standardising practice* (continued)

- ◆ The duty rota has been reviewed and updated to ensure adequate cover in the Nursery and a whole-school timetable audit has been conducted to ensure fair and transparent timetable allocations.
- ◆ The Arts Hall is used for specialist Science teaching, Dance and Music.
- ◆ The process for requesting INSET and recording staff absence has been formalised.
- ◆ Friday Morning briefings to enable free flowing and better communication have continued.
- ◆ Centralised planning has enabled greater oversight.
- ◆ Policy templates have been standardised.
- ◆ Policies have been reviewed and updated to ensure statutory requirements are met in addition to compliance with ISI regulations and also to ensure that policy matches practice.
- ◆ The School's Development Plan has been reviewed and updated, adding Key Strategic Objectives to link into staff appraisal (now called Professional Development and Review (PDR)) and teaching and learning.
- ◆ Meetings with all staff have been held on a rolling programme.
- ◆ Subject teaching time allocations have been reviewed.

##### *Communication with parents*

This strategic objective has been a particular focus this year and effective and meaningful communication with parents has been a chief priority. Detailed weekly bulletins, half-termly newsletters, information evenings for parents and regular updates to parents through the new website, Facebook and Twitter feeds will continue to happen. A private login on the School's new website (launched Spring 2015) has been established to provide parents with a class information page containing class newsletters, curriculum overviews and homework timetables.

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

### **Education** (continued)

#### ***Premises***

Part of the summer works programme includes reducing the School's carbon footprint through further renovations to the lighting systems.

#### **Social and pastoral work**

In September 2015, the results of the strategic planning exercise for the new Province of Atlantic Europe was presented to the Sisters, in two main documents:

- ◆ The Apostolic Project.
- ◆ The Strategic Structural Plan, reflecting three main decisions, and representing a restructuring of the Communities: the closure of Beckenham community, the reopening of Bournemouth community, and the opening of a Juniorate (house of study for younger Sisters) in Paris.

#### ***Boscombe (Bournemouth)***

Three Sisters of different generations were assigned to the community initially:

- ◆ the former Superior, in order to assure the continuity of the presence and the relationships with the ACI Family;
- ◆ an Indian Sister with a Pedagogy degree and with experience of working with the ACI Family, in Education and Community Building; and
- ◆ a younger Portuguese Sister with several years of experience working with young people and in pastoral work in schools.

Later on a fourth member was added. She is an English Sister who has worked for many years in counselling and was part of the Justice and Peace Commission for the Southwark Diocese. She also represents the Parish in Interfaith and Churches Together dialogue and activities.

There are very good opportunities within the local area to work with the University chaplaincy, and with the considerable immigrant and vulnerable population. There is also the possibility of pastoral work in local schools and in the Parish.

After the decision was made to reopen a community house in Bournemouth, in November 2015, a large donation was received from a neighbour in Bournemouth, confirming and facilitating the path for the return. After some research and consultation with locals, and after considering the alternative of moving to a different building, it seemed that the best choice was to retain the existing property, because of its privileged location.

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

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

#### ***Boscombe (Bournemouth)*** (continued)

During 2016, the Sisters have been preparing for necessary works in the house: obtaining architecture and engineering advice, tenders from constructors, choosing materials etc. The house has been prepared to host handicapped persons, and to ease the autonomy of the ones with reduced mobility. The refurbishing aimed also to give the house the facility to receive more visitors and different groups in pastoral work at the same time.

The ACI Family continued to use the house for their meetings and the Sisters attended their meetings on a regular basis, staying there for some days. One Sister came from Beckenham to guide a week of prayer in the Parish Church, thus preparing the way to the full return to pastoral work.

#### ***Beckenham***

The closure of Beckenham's community was decided following the realisation that only two communities were needed by the Congregation in England. Priority has been given to London and Bournemouth, because of the mission being carried out and the envisaged future in these places.

As for Beckenham, the Trustees have decided not to sell the property in Village Way at least within the next few years. During 2016, they have been preparing for the closure:

- ◆ having interviews with the Parish Priest, the Bishop and other community leaders to ensure the continuity of pastoral work;
- ◆ considering different proposals to rent the house. The Trustees decided to let the house to the Salesian Sisters, at a rent lower than its market value, to support their work with asylum seekers. This social work is very much aligned with the Congregation's priorities, and by facilitating the house, the Handmaids participate in some way to this Apostolate.

At the beginning of July, there was a very heartfelt ceremony of Thanksgiving for the presence of more than 80 years of the Handmaids in Beckenham. Many friends and people who had strong relationships with the Sisters for decades came to show their appreciation and friendship, including many representatives of different religions and Christian denominations that worked with the Handmaids in Churches Together.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Social and pastoral work** (continued)

**Beckenham** (continued)



Thanksgiving celebration in Beckenham

**London**

The community residence occupies a building to which Saint Christina's Preparatory School is attached. Two of the Sisters residing there are also Trustees, and this enables them to be very closely involved in the School, and to know and relate to all the children, staff and parents in the School community.

They are part of the Board of Governors and the Finance Committee, and support the Senior Management Team of the School on a day-to-day basis. They are also involved in the Chaplaincy Team, and are in charge of the preparation of the weekly liturgies for the children, Holy First Communion and other religious feast day events. The Sisters also offer extra help to children who have difficulties with Maths and English, and monitor Arts and Crafts groups. Two other Sisters are involved in the School, helping with the nursery and reception levels.

Part of the house is used as an infirmary for the elderly and sick Sisters, run by another Sister who is completely dedicated to them on a twenty-four hour basis. Care workers come to help the Sisters who need help, while Social workers come to evaluate, provide equipment, assess care plans and suggest amendments to the care plan when necessary. A physiotherapist, who comes regularly, has a prominent role in this support. During the current year, one of the elderly Sisters has passed away, after an entire life dedicated to the service of others in England.

## ACHIEVEMENTS AND PERFORMANCE (continued)

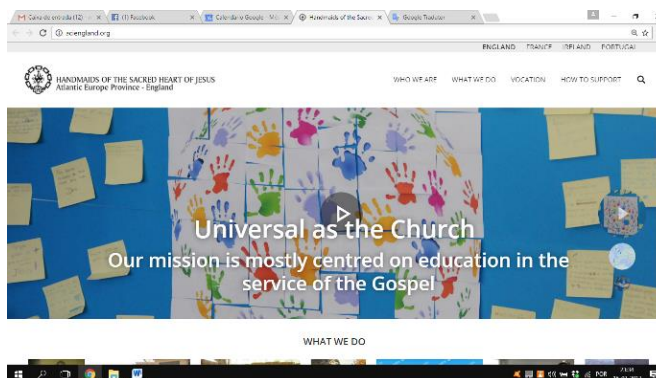
### Social and pastoral work (continued)

#### *London (continued)*

The London community hosted the Sisters already designated to the community of Bournemouth, while preparing for the reopening of the house. Meanwhile, one Sister participated in the Lenten retreat with the Youth in Farm Street (Jesuits) and has been volunteering with *Women at the well*, a Charity that supports women whose lives are affected by or at risk of being affected by prostitution, and with the *Soup Run*, providing hot meals to the homeless.

#### *Province*

The new official website was launched in September 2016, after several months, concentrating on the contents and translations. The result is a light, appealing, multi-screen and user-friendly website that is expected to be an essential instrument for the communication and public image of the Handmaids in England: [www.aciengland.org](http://www.aciengland.org).



The Magis gathering prepared for more than a year, took place in the Summer of 2016, in the weeks before the World Youth Day (a massive Youth gathering with the Pope) in Poland, in various experiences of pilgrimage, social work, music, etc. The Magis program offered various spiritual and social experiences such as: pilgrimages, social work with different groups of people, music, art, etc. It was an international pastoral activity with youngsters, organised by the Jesuits, at an European level, in network with other religious Congregations and lay people, reunited by their common Ignatian Spirituality. It required a lot of logistical work and meetings, both in presence or through skype, but the impact it had in the participants' lives is something unforgettable and everlasting.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Social and pastoral work** (continued)

***Province*** (continued)



Group of the Musical experience on 'magis2016

During the days of encounter with the Pope, a stand in the *Vocations Center* was prepared for the Handmaids' vocational promotion. Many hundreds of young people passed by and had the chance to get in touch with our charism and to question themselves about the possibility of joining a Religious Congregation.



Sisters from Portugal, Spain, Italy and the USA in the Vocational Stand during the WYD 2016



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

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

#### ***Province*** (continued)

At a Provincial level, the major event of the year has been the Provincial Congregation that took place in August in Palmela. This assembly, which takes place every five years, was the first one after the erection of the Atlantic Europe Province, and gathered Sisters from the four countries that constitute it. It was an occasion to listen to the deepest dreams and hopes of the Sisters that participated, and align our common vision for the future of the work of the Handmaids in Europe. The assembly highlighted:

- ◆ the universal spirit and encounter between cultures;
- ◆ the novelty of fresh ideas and the desire of renovation;
- ◆ the shared enthusiasm and joy for our Mission.



The newly created Commission for Economic Affairs met three times during the year. During these meetings, the Commission evaluated the budgets for every community and apostolic work, has advised the Trustees on various subjects and reflected on the assistance to the older Sisters in their jubilee years, from a global perspective and considering both their nationality and their religious vows.

Meetings between Bursars, Superiors, and those at different levels of decision making, continued to take place. Focus has been given to the reception of *Laudato Si*, the Papal encyclical about Ecology, to put into practice the theme of our *Common Home*.

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

### **Grants and donations**

The Trustees received a request for financial help from the Retreat House of the Handmaids in Montevideo, Uruguay. The house is very old and is need of new piping to provide it with water in every bathroom. This is a very expensive project that the Sisters in Uruguay were not able to fund. The Trustees decided to help with the amount of €50,000. Besides the living space for the religious community, the works enabled the hosting of many other people that come to pray and to nourish their spiritual life in retreats and counseling, especially young people on their formation process as Christians.



Before/after the works in the wiring, piping and sanitary improvements



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

### **Formation of younger Sisters**

The third structural decision of the Province was in respect to the Juniorate - a stage of the Sister's Formation process dedicated to academic studies. Though three of the five Sisters who are studying Theology at the Universidad Pontificia de Comillas, in Madrid, Spain<sup>1</sup>, will proceed with their studies there, a new group has been directed towards Paris. After a few interviews with the Rectors of both the Université Catholique and the Centre Sèvres<sup>2</sup>, the latter one has been chosen. This Academy, with a very strong Jesuit tradition, is now a Centre to prepare young generations of Religious for their future work.



Sisters studying in Madrid in 2015/16

The three Sisters of the group that made their First Vows in August have already incorporated this new Juniorate, after having an intensive preparation in French.



Group of Novices in 2015/16, three of which have Professed in August.

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<sup>1</sup> <http://www.teologia.comillas.edu/en/grados/bachiller-en-teologia-grado-en-teologia-programa-de-la-manana-en>  
This University, with a long tradition and of Ignatian Spirituality, gives excellent formation in Multicultural Dialogue and in Justice and Peace issues, which are very much related with the mission and spirit of the Handmaids. The Trustees believe that it offers the most solid education, both from a human and an academic perspective, thus preparing well the Sister's future pastoral work, facing the challenges of our world today.

<sup>2</sup> <http://www.centresevres.com/>

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

### **Formation of younger Sisters** (continued)

After many years of formation, another Sister made her Perpetual Vows to the Congregation in May this year, thus definitively committing her life with the Handmaids' Mission.



## **FINANCIAL REVIEW**

### **Results for the year**

A summary of the year's results can be found on page 37 of the attached accounts.

Total income for the year to 31 August 2016 amounted to £3,076,611 compared to £3,016,432 in 2015. Expenditure during the year totalled £2,723,002 (2015 - £2,556,984).

The Charity's income includes £2,469,635 being the fees and charges of Saint Christina's Preparatory School, £333,427 being investment income and interest receivable and £224,323 being voluntary income. Expenditure includes £2,295,448 relating to the School.

Net gains on investment assets of £880,850 resulted in a net increase in funds for the year of £1,234,459. Total funds carried forward at 31 August 2016 were £17,338,706.

### **Reserves policy and financial position**

#### ***Reserves policy***

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

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

**FINANCIAL REVIEW** (continued)

**Reserves policy and financial position** (continued)

***Financial position***

The balance sheet shows total reserves of £17,338,706. Of this, £5,786,394 represents the tangible fixed assets used in the day-to-day work at the Charity. These assets have been separated from the Charity's general fund in recognition of the fact that they are fundamental to the Charity's work. They therefore cannot be easily realised if needed to meet future contingencies.

£124,201 represents the net book value of a new playground and arts hall together with cash for the development of the Saint Christina's Preparatory School which have been funded or donated by parents and other sources and, as such, has been classified as restricted for the purposes of these accounts.

The Saint Christina's Preparatory School designated fund of £986,391 represents the accumulated surplus of income over expenditure of the School excluding the restricted monies referred to above. These monies have been designated, by the Trustees, for use by the School.

£722,926 has been set aside for the support of the charitable work of the Charity. These funds are kept in a separate investment portfolio.

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

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

Funds which are available, therefore, to support the work of the Sisters in future are those shown on the balance sheet as general funds and amount to £1,717,016. The Trustees are of the opinion that this level of free reserves is prudent and appropriate and consistent with the Charity's reserves policy.

**Investment policy**

At 31 August 2016, the Charity had listed investments with a market value of £10,189,738 and, at that date, a further £563,782 was held as cash.

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

## **FINANCIAL REVIEW** (continued)

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

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

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

The Commission of Economic Affairs has started to review the Investment Policy statement, in order to more accurately describe the concerns of the Trustees, mainly in the area of fossil fuels and modern slavery. Meanwhile, a new Manual of Administration has been issued by the Generalate of the Handmaids of the Sacred Heart of Jesus, which the Trustees will review as it may influence the policy.

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

The Charity Fund operated JP Morgan has been dissolved and so other investment alternatives have been considered. It has been decided to invest in a faith based Common Fund managed by Rathbone Investment Management Limited.

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

## **PLANS FOR FUTURE PERIODS**

### **Province**

The works to the house in Boscombe, Bournemouth started during the Summer. The opening date is due to be 25 March 2017, the Annunciation feast day, and will take place in the presence of the General Superior of the Congregation and many Sisters from the other communities of the Province.

## **PLANS FOR FUTURE PERIODS** (continued)

### **Province** (continued)

2016 marked the 100<sup>th</sup> anniversary of the death of Mother Pilar, co-founder of the Handmaids of the Sacred Heart of Jesus. The Sisters are planning a pilgrimage to Valladolid, where Mother Pilar spent the last years of her life, to deepen the Spiritual heritage that our Founders handed on to us. A visit to the National Museum of Sculpture, guided by alumni of the Handmaids is also planned.

By the end of 2016, the Second European Meeting on ACI Education will have taken place in Paris, hosted by the Institut de l'Alma.

And in February-March 2017, the most important Handmaids International Assembly, called the *General Congregation* (*General Chapter* in other Religious Congregations), held every five years, will take place in Madrid. Three delegates of the Atlantic Europe Province will participate, including one of the Trustees, Sister Maria Vaz Pinto.

### **School**

The School's strategic objectives for the coming year are as follows:

#### **Academic**

- ◆ Consolidate the programme of subject review so that each subject's progress is monitored and the Subject Coordinator (SC)/Phase Leader reports termly to Headteacher and/or the full Governing Body.
- ◆ Timetabling Subject Coordinators and Phase Leaders to present 'Teaching & Learning' ideas to share best practice in staff meetings.
- ◆ Increase and monitor use of ICT activities in lessons where relevant and identify in weekly and medium-term planning.
- ◆ Increase and monitor use of all digital technology.
- ◆ Develop use of Reception Class outside areas and incorporate effectively in to planning.
- ◆ Continue to raise the profile of each curricular area with subject led, whole-school initiatives.
- ◆ Embed best practice in terms of E-safety and appropriate use of ICT.
- ◆ Develop the role of the School Council enabling greater pupil participation and opportunities for leadership.

**PLANS FOR FUTURE PERIODS** (continued)

**School** (continued)

**Academic** (continued)

- ◆ Review the system of provision of extra-curricular clubs , enrichment and educational visits.

**Premises**

- ◆ Replacement heating (Ground, First and Second Floors)
- ◆ EYFS playground extension and resurfacing (removal of tree roots)

**Governance and management**

- ◆ Internal Governance review with a new committee structure. Awaiting Association of Governing Bodies of Independent Schools membership approval (February 2016)
- ◆ Appointment of one new governor
- ◆ Appointment of external Clerk to the governors
- ◆ Programme of governor training
- ◆ Scheduling opportunities for Subject Coordinators and Phase Leaders to report to the Governing Body on curriculum initiatives and updates.

**GOVERNANCE, STRUCTURE AND MANAGEMENT**

**Governance**

The Trustees are appointed by the Provincial Superior of the Congregation. At any one time there must be a minimum of two Trustees. The names of the Trustees who were in office at 31 August 2016 are set out on page 1 of this report and accounts.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees



**Sister Maria Vaz Pinto** has been the Provincial Superior of the Atlantic-Europe Province since 1 January 2014. Prior to this she was Provincial Superior of the Portuguese Province for four and a half years. She had also been the Local Superior in three different Communities spanning twelve years up until then. Prior to entering the Congregation she had studied Ballet, obtained her BA in Tourism and her BSc in Psychology and worked as a Producer in National Television in Portugal. After joining the Handmaids of the Sacred Heart of Jesus she finished her studies in Psychology (MSc), studied Theology and practised as a Psychologist and Teacher of Religion in the Handmaids' schools in Lisbon and Oporto, Portugal. She also managed the Congregation's Retreat Centre in Portugal, ministering in Spirituality, Youth and Vocational Pastoral Care.



**Sister Sarah-Anne Kane**, Provincial Bursar until December 2013, has an MA in Pastoral Theology and a BSc in Mathematics and Physics and a Diploma in Catechetics. She also has many years of experience both in administration and in education having held positions of Superior in England and Ireland and headship in the Congregation's primary and secondary schools in Ireland and England. She taught in the Congregation's International School in Japan for two years and also had experience in Pastoral Ministry in South America. She has a diploma in Youth Ministry and has been a co-ordinator of young adult groups for many years.



**Sister Patricia Lynch** completed her 6 years as Provincial Superior in February 2011. She is now part of the Congregation's community in Dublin and is involved in the formation and pastoral care of the pupils in the senior school. In her earlier years she was prepared as a Community Bursar. She has a diploma in Pastoral Ministry and has many years experience working with teenagers and parents in pastoral work. She was part of the spirituality team in the Retreat House in Dublin for 15 years.



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

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

### **Trustees** (continued)



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



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

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

The Provincial Superior participated in the Annual Assembly of the Conference of Religious in England and Wales, as well as the National Conferences of Religious in Ireland, Portugal and France.

At the annual conference of the Association of Provincial Bursars, apart from the Provincial Bursar (who is also a Trustee), the General Bursar attended. It was an opportunity to better comprehend the English legal and financial framework.

During the year, several meetings were held with the Charity's investment managers, to ensure that the best return for the Charity's investments was being achieved. Each year the Trustees engage an independent investment manager to ensure this.

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

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

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



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

### **Key management personnel**

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

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

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

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

### **Statement of Trustees' responsibilities**

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the Trustees are required to:

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

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

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

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

### **Risk management**

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees have looked at the risks the Congregation currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them. The Trustees have identified five main areas where risks may occur:

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

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

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

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

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

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

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

### **Risk management** (continued)

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

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

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age at 31 August 2016 was 62.5 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the Charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally, the Charity works with children. The Trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. This means that Sisters engaged in any ministry in Great Britain and all those who work or volunteer for the Charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The Trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, a Safeguarding Officer is nominated at the School operated by the Charity. Safeguarding training is compulsory for all staff.
- ◆ The Charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustees. The performance of the portfolio is monitored and the investment strategy is assessed regularly to ensure it remains appropriate to the Charity's needs – both now and in the future.

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

**Risk management** (continued)

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

Approved by the Trustees and signed on their behalf by:

Sister Eileen O'Neil  
Trustee

Sister Noella Pereira

Approved by the Trustees on: 18 May 2017

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

We have audited the accounts of Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the 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 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' report, the Trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 August 2016**

### **Opinion on the accounts**

In our opinion the accounts:

- ◆ give a true and fair view of the state of the Charity's affairs as at 31 August 2016 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.

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

We have nothing to report in respect of the following matters where 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.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

24 May 2017

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 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Income from:</b>					
Donations and legacies	1	224,323	—	<b>224,323</b>	166,237
Investment income and interest receivable	2	333,427	—	<b>333,427</b>	307,830
Charitable activities					
. Education fees and related charges*	3	2,469,635	—	<b>2,469,635</b>	2,514,763
Other trading activities*	4	49,226	—	<b>49,226</b>	27,602
<b>Total income</b>		<b>3,076,611</b>	<b>—</b>	<b>3,076,611</b>	3,016,432
<b>Expenditure on:</b>					
Raising funds*					
. Investment managers' costs		46,165	—	<b>46,165</b>	51,298
Charitable activities					
. Donations and support of missions	5	48,009	—	<b>48,009</b>	66,728
. Provision of education	6	2,279,648	15,800	<b>2,295,448</b>	2,158,048
. Support of members of the Congregation and their ministry	7	333,380	—	<b>333,380</b>	280,910
<b>Total expenditure</b>		<b>2,707,202</b>	<b>15,800</b>	<b>2,723,002</b>	2,556,984
<b>Net income (expenditure) for the year before gains (losses) on investments</b>	8	<b>369,409</b>	<b>(15,800)</b>	<b>353,609</b>	459,448
<b>Net investment gains (losses)</b>	12	<b>880,850</b>	<b>—</b>	<b>880,850</b>	(52,987)
<b>Net income (expenditure)</b>		<b>1,250,259</b>	<b>(15,800)</b>	<b>1,234,459</b>	406,461
Transfers between funds	15	39,657	(39,657)	<b>—</b>	—
<b>Net movement in funds</b>		<b>1,289,916</b>	<b>(55,457)</b>	<b>1,234,459</b>	406,461
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 September 2015		15,924,589	179,658	<b>16,104,247</b>	15,697,786
Balances carried forward at 31 August 2016		<b>17,214,505</b>	<b>124,201</b>	<b>17,338,706</b>	16,104,247

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

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

\* All income from charitable activities, income from other trading activities and expenditure on raising funds was unrestricted in 2015.

## Balance sheet 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	11		<b>5,892,675</b>		6,027,432
Investments	12		<b>10,753,520</b>		9,900,825
			<b>16,646,195</b>		15,928,257
<b>Current assets</b>					
Debtors	13	<b>150,820</b>		125,706	
Cash at bank and in hand		<b>1,234,917</b>		692,560	
		<b>1,385,737</b>		818,266	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<b>(418,476)</b>		(375,776)	
<b>Net current assets</b>			<b>967,261</b>		442,490
<b>Total assets less current liabilities</b>			<b>17,613,456</b>		16,370,747
<b>Creditors: amounts falling due after one year</b>					
. Fee deposits from pupils			<b>(274,750)</b>		(266,500)
<b>Total net assets</b>			<b>17,338,706</b>		16,104,247
<b>The funds of the Charity:</b>					
Restricted funds	15		<b>124,201</b>		179,658
Unrestricted funds					
. Tangible fixed assets fund	16		<b>5,786,394</b>		5,905,351
. Designated funds	17		<b>9,711,095</b>		8,585,781
. General funds			<b>1,717,016</b>		1,433,457
			<b>17,338,706</b>		16,104,247

Approved by the Trustees and signed  
on their behalf by:

Sister Eileen O'Neil  
Trustee

Sister Noella Pereira

Approved by the Trustees on: 18 May 2017



## Statement of cash flows Year to 31 August 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>310,244</b>	332,226
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>333,468</b>	307,789
Purchase of tangible fixed assets		<b>(129,510)</b>	(184,461)
Proceeds from the disposal of investments		<b>610,881</b>	1,185,084
Purchase of investments		<b>(571,414)</b>	(1,436,757)
<b>Net cash provided by (used in) investing activities</b>		<b>243,425</b>	(128,345)
<b>Change in cash and cash equivalents in the year</b>		<b>553,669</b>	203,881
<b>Cash and cash equivalents at 1 September 2015</b>	B	<b>1,245,030</b>	1,041,149
<b>Cash and cash equivalents at 31 August 2016</b>	B	<b>1,798,699</b>	1,245,030

Notes to the statement of cash flows for the year to 31 August 2016.

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

	2016 £	2015 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>1,234,459</b>	406,461
<b>Adjustments for:</b>		
Depreciation charge	<b>212,712</b>	231,539
(Gains) losses on investments	<b>(880,850)</b>	52,987
Investment income and interest receivable	<b>(333,427)</b>	(307,830)
Increase in debtors	<b>(25,155)</b>	(41,643)
Increase (decrease) in creditors	<b>102,505</b>	(9,288)
<b>Net cash provided by operating activities</b>	<b>310,244</b>	332,226

### B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<b>1,234,917</b>	692,560
Cash held by investment managers	<b>563,782</b>	552,470
<b>Total cash and cash equivalents</b>	<b>1,798,699</b>	1,245,030

## **Principal accounting policies** 31 August 2016

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 2016.

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

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

The date of transition to Charities SORP FRS 102 was 1 September 2014. The end of the accounting reference date in respect to the Charity's last annual accounts determined in accordance with the previous financial reporting framework was 31 August 2015. This is the first set of accounts prepared in accordance with the Charities SORP FRS 102.

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.

### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. Other than presentational adjustments to reanalyse expenditure for the year ended 31 August 2016 to accord with the format prescribed in the Charities SORP FRS 102, no further restatements were required. Specifically, governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to expenditure on charitable activities.

**Reconciliation with previous Generally Accepted Accounting Practice** (continued)

In accordance with the requirements of FRS 102 a reconciliation of the net income for the year is provided with the net income under previous GAAP adjusted for the presentation of investment losses as a component of reported net income:

Reconciliation of reported net income:	2015 £
2015 net income as previously stated	459,448
Adjustment for losses on investments now treated as a component of net income	(52,987)
2015 net income as restated	406,461

**Critical accounting estimates and areas of judgement**

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

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

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

**Assessment of going concern**

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2017, Saint Christina's Preparatory School is dependent on students applying to it and on parents to pay their fees. Long term accurate forecasting of student numbers is not easy but work continues to raise the profile of the School and to maintain and enhance relations with parents. With regard to the next accounting period, the year ending 31 August 2017, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

### **Income recognition**

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

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

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

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

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

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

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 recognition** (continued)

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

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

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer or 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 and includes any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings. The classifications between activities are as follows:

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

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

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

**Tangible fixed assets**

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

*Freehold land and buildings*

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

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are shown on the balance sheet at a valuation determined by the Trustees at 31 August 1999 based on replacement value for existing use with additions since that date being included at cost. As permitted under the transitional provisions of FRS 102 (section 35), the Trustees have elected to use the 31 August 1999 valuations as deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the Trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings are defined as those comprising the Congregation's educational establishments and large residential convents. The buildings comprising Saint Christina's Preparatory School are included in the accounts at a Trustees' valuation made in 1994 on the basis of replacement cost for existing use with additions since 1 September 1994 being included at cost. Other specialised buildings are stated at cost, or where cost is not available, at a Trustees' valuation made in 1999 based on replacement cost for existing use. As permitted under the transitional provisions of FRS 102 (section 35), the Charity Trustees have elected to use the 1994 and 1999 valuations as deemed cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Charity.

*Plant and building improvements*

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

*Furniture and equipment*

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

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

**Tangible fixed assets** (continued)

*Computer equipment*

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

*Motor vehicles*

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

**Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year

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

One of the main forms of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sun sectors.

All gains and losses on investments are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value 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. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

**Debtors**

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

**Cash at bank and in hand**

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

### **Creditors and provisions**

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

### **Fund accounting**

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

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

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

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

### **Foreign currencies**

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

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

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

### **Pension costs**

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

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



## Notes to the accounts 31 August 2016

### 1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Salaries and pensions of individual religious received under Gift Aid	75,358	—	75,358	84,717
General donations	117,147	—	117,147	81,520
Legacies	31,818	—	31,818	—
<b>2016 Total funds</b>	<b>224,323</b>	<b>—</b>	<b>224,323</b>	166,237
2015 Total funds	107,625	58,612	166,237	

### 2 Income from: Investment income and interest receivable

	Unrestricted funds	
	Total 2016 £	Total 2015 £
<b>Income from listed investments</b>		
. Unitised funds	35,831	—
. UK fixed interest	35,063	43,577
. Common investment funds	96,288	87,153
. UK equities	127,380	149,439
. Foreign investment trusts	32,105	25,134
. Charities property fund	4,072	—
	<b>330,739</b>	305,303
<b>Interest receivable</b>		
. Bank interest	2,345	2,266
. Interest on cash held by investment managers	343	261
	<b>2,688</b>	2,527
<b>Total</b>	<b>333,427</b>	<b>307,830</b>

### 3 Income from: Education fees and related charges

	Unrestricted funds	
	Total 2016 £	Total 2015 £
Tuition fees	2,410,461	2,466,557
Less: Discounts and bursaries	(45,412)	(62,110)
	<b>2,365,049</b>	2,404,447
Other fees and charges	85,832	110,316
Funding from local authorities	18,754	—
	<b>104,586</b>	110,316
<b>2016 Total funds</b>	<b>2,469,635</b>	<b>2,514,763</b>

## Notes to the accounts 31 August 2016

### 4 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Hire of facilities	31,228	—	<b>31,228</b>	24,161
Miscellaneous	17,998	—	<b>17,998</b>	3,441
<b>2016 Total funds</b>	<b>49,226</b>	<b>—</b>	<b>49,226</b>	<b>27,602</b>
2015 Total funds	27,602	—	27,602	

### 5 Expenditure on: Donations and support of missions

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Handmaids of the Sacred Heart of Jesus - Uruguay	39,903	—	<b>39,903</b>	—
Handmaids of the Sacred Heart - Spain	—	—	—	54,012
Handmaids of the Sacred Heart - Chile	—	—	—	4,035
Handmaids of the Sacred Heart - Rome	3,549	—	<b>3,549</b>	—
Donations under £1,000 each	4,557	—	<b>4,557</b>	8,681
<b>2016 Total funds</b>	<b>48,009</b>	<b>—</b>	<b>48,009</b>	<b>66,728</b>
2015 Total funds	66,728	—	66,728	

### 6 Expenditure on: Provision of education

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Teaching costs	1,512,171	—	<b>1,512,171</b>	1,387,525
Welfare	209,410	—	<b>209,410</b>	221,649
Premises	297,960	15,800	<b>313,760</b>	311,007
Support costs (see below)	260,107	—	<b>260,107</b>	237,867
<b>2016 Total funds</b>	<b>2,279,648</b>	<b>15,800</b>	<b>2,295,448</b>	<b>2,158,048</b>
2015 Total funds	2,139,567	18,481	2,158,048	

**6 Expenditure on: Provision of education (continued)**

Support costs comprise:

	Unrestricted funds	
	Total 2016 £	Total 2015 £
Staff costs	109,940	119,387
Printing, postage, stationery, telephone	6,392	5,619
Courses	5,326	8,369
Insurance	19,495	20,387
Bad and doubtful debts	25,000	5,126
Chaplaincy	456	610
Subscription and inspection costs	7,355	7,717
Professional fees	67,894	52,201
Miscellaneous expenses	3,249	1,651
Governance costs – auditor's remuneration	15,000	16,800
	<b>260,107</b>	<b>237,867</b>

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

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

	Unrestricted funds	
	Total 2016 £	Total 2015 £
Premises	62,463	75,491
Sisters' personal expenses	129,844	116,753
Education, training and spiritual renewal	58,792	2,685
Depreciation of property	50,433	50,433
Other support costs	17,348	19,860
Governance costs – auditor's remuneration	14,500	15,688
	<b>333,380</b>	<b>280,910</b>

**8 Net income (expenditure) for the year before gains (losses) on investments**

This is stated after charging:

	Unrestricted funds	
	Total 2016 £	Total 2015 £
Staff costs (note 9)	1,671,964	1,552,271
Auditor's remuneration		
. Statutory audit services	6,600	6,600
. Non statutory audit services	10,800	9,600
. Other services	12,100	16,288
Depreciation	212,712	231,539

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

	Unrestricted funds	
	2016	2015
	£	£
Staff costs during the year were as follows:		
Wages and salaries	<b>1,288,759</b>	1,259,538
Social security costs	<b>114,439</b>	110,129
Other pension costs	<b>139,793</b>	115,738
	<b>1,542,991</b>	1,485,405
Contractors' fees	<b>128,973</b>	66,866
	<b>1,671,964</b>	1,552,271
Staff costs per function were as follows:		
Provision of education	<b>1,643,323</b>	1,521,117
Support of members of the Congregation and their ministry	<b>28,641</b>	31,154
	<b>1,671,964</b>	1,552,271

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

	2016	2015
£60,001 - £70,000	<b>1</b>	1
£80,001 - £90,000	<b>1</b>	1

Employer contributions were made on behalf of one of the above employees to a defined benefit scheme and on behalf of the other employee to a defined contributions scheme. Total contributions to the defined benefit scheme amounted to £11,449 (2015 - £11,280) and total contributions to the defined contributions scheme amounted to £8,520 (2015 - £9,370).

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

	2016	2015
Provision of education	<b>34</b>	33
Support of members of the Congregation and their ministry	<b>3</b>	3
	<b>37</b>	36

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees during the year (2015 - £nil).

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

## 9 Staff costs, remuneration of key management personnel and Trustees' remuneration (continued)

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

The total remuneration including employer pension contributions and other benefits of the key management personnel was £162,749 (2015 - £168,713).

## 10 Taxation

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

## 11 Tangible fixed assets

	Freehold land and buildings		Plant and building improvements	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Residential £	Educational £	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 September 2015	3,482,524	2,970,658	893,474	354,479	149,681	47,455	<b>7,898,271</b>
Additions	—	—	62,842	6,297	8,816	—	<b>77,955</b>
Disposals	—	—	—	—	(42,784)	—	<b>(42,784)</b>
At 31 August 2016	<b>3,482,524</b>	<b>2,970,658</b>	<b>956,316</b>	<b>360,776</b>	<b>115,713</b>	<b>47,455</b>	<b>7,933,442</b>
At cost	619,307	1,721,408	956,316	360,776	115,713	47,455	<b>3,820,975</b>
At deemed cost – 1994 and 1999 valuations	2,863,217	1,249,250	—	—	—	—	<b>4,112,467</b>
	<b>3,482,524</b>	<b>2,970,658</b>	<b>956,316</b>	<b>360,776</b>	<b>115,713</b>	<b>47,455</b>	<b>7,933,442</b>
<b>Depreciation</b>							
At 1 September 2015	795,707	603,628	173,437	145,405	107,160	45,502	<b>1,870,839</b>
Charge for the year	50,433	59,413	44,676	38,580	17,660	1,950	<b>212,712</b>
Depreciation on disposals	—	—	—	—	(42,784)	—	<b>(42,784)</b>
At 31 August 2016	<b>846,140</b>	<b>663,041</b>	<b>218,113</b>	<b>183,985</b>	<b>82,036</b>	<b>47,452</b>	<b>2,040,767</b>
<b>Net book values</b>							
At 31 August 2016	<b>2,636,384</b>	<b>2,307,617</b>	<b>738,203</b>	<b>176,791</b>	<b>33,677</b>	<b>3</b>	<b>5,892,675</b>
At 31 August 2015	<b>2,686,817</b>	<b>2,367,030</b>	<b>720,037</b>	<b>209,074</b>	<b>42,521</b>	<b>1,953</b>	<b>6,027,432</b>

Additions to freehold land and buildings and additions to plant have not been depreciated during the year. It is the Charity's policy to first depreciate tangible fixed assets in their first full year of use.

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

## Notes to the accounts 31 August 2016

### 12 Investments

	2016 £	2015 £
<b>Listed investments</b>		
Market value at 1 September 2015	9,348,355	9,149,669
Additions at cost	571,414	1,436,757
Disposals at book value (proceeds: £610,881; gain: £53,263)	(557,618)	(1,150,213)
Net unrealised investment gains (losses)	827,587	(87,858)
Market value at 31 August 2016	10,189,738	9,348,355
<b>Cash held by investment managers</b>	563,782	552,470
	<b>10,753,520</b>	<b>9,900,825</b>
<b>Cost of listed investments at 31 August 2016</b>	<b>8,225,819</b>	<b>8,196,654</b>

Listed investments held at 31 August 2016 comprised the following:

	2016 £	2015 £
UK fixed interest	1,038,497	1,070,708
Common investment funds	3,784,097	3,669,435
UK equities	3,491,062	3,122,453
Foreign investment trusts	1,741,020	1,485,759
Charities property fund	135,062	—
	<b>10,189,738</b>	<b>9,348,355</b>

At 31 August 2016 listed investments included the following holdings, which represented material holdings relative to the market value of the total listed investments portfolio held at that date:

	Market value of holding £	Percentage of portfolio %
Charifaith Common Investment Fund	2,528,562	24.8%
COIF Charities Ethical Funds	824,743	8.1%

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

### 13 Debtors

	2016 £	2015 £
School fees receivable	23,251	63,261
Investment income receivable	45,697	40,194
Prepayments and accrued income	76,695	16,716
Other debtors	5,177	5,535
	<b>150,820</b>	<b>125,706</b>

## Notes to the accounts 31 August 2016

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

	2016 £	2015 £
Expense creditors	22,789	7,415
Accruals	124,302	71,582
School fees in advance and fee deposits from pupils	265,183	242,098
Additions to freehold land and buildings for educational use	3,126	54,681
Other creditors	3,076	—
	<b>418,476</b>	<b>375,776</b>

### 15 Restricted funds

	At 1 September 2015 £	Expenditure £	Transfers £	At 31 August 2016 £
Playground fund	73,903	(5,028)	—	68,875
Development fund	39,539	(9,781)	—	29,758
Arts Hall fund	58,202	(991)	(39,365)	17,846
Kitchen fund	7,722	—	—	7,722
Other restricted funds	292	—	(292)	—
	<b>179,658</b>	<b>(15,800)</b>	<b>(39,657)</b>	<b>124,201</b>

The **playground fund** represents play equipment for the new playground purchased using donations and grants given specifically for this purpose.

The **development fund** represents donations received for the future development of the School.

The **Arts Hall fund** represents donations received towards additional equipment and facilities for the new hall. Transfers during the year reflect the spending of funds received for the purposes intended.

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

**Other restricted funds** represented proceeds from the sale of CD's and income from clubs to be used in the future. Transfers during the year reflect the spending of funds received for the purposes intended.

### 16 Tangible fixed assets fund

	Total £
At 1 September 2015	5,905,351
Net movement in year	(118,957)
At 31 August 2016	<b>5,786,394</b>

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

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

# **17 Designated funds**

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

	At 1 September 2015 £	New designations £	Utilised/ released £	At 31 August 2016 £
Vocational fund	1,778	—	—	<b>1,778</b>
Mission fund	507,889	215,037	—	<b>722,926</b>
Saint Christina's Preparatory School fund	627,977	2,710,020	(2,351,606)	<b>986,391</b>
Formation fund	1,948,137	108,838	(56,975)	<b>2,000,000</b>
Sisters' care fund	5,500,000	500,000	—	<b>6,000,000</b>
	<b>8,585,781</b>	<b>3,533,895</b>	<b>(2,408,581)</b>	<b>9,711,095</b>

## *Vocational fund*

This fund represents monies to be used in spreading information about the Congregation for the purpose of promoting vocations.

## *Mission fund*

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

## *Saint Christina's Preparatory School fund*

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

## *Formation fund*

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



## 17 Designated funds (continued)

### *Sisters' care fund*

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

## 18 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Designated funds £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>					
Tangible fixed assets	—	5,786,394	106,281	—	<b>5,892,675</b>
Investments	1,205,851	—	—	9,547,669	<b>10,753,520</b>
Current assets	566,540	—	17,920	801,277	<b>1,385,737</b>
Creditors: amounts falling due within one year	(55,375)	—	—	(363,101)	<b>(418,476)</b>
Creditors: amounts falling due after one year	—	—	—	(274,750)	<b>(274,750)</b>
<b>Total net assets</b>	<b>1,717,016</b>	<b>5,786,394</b>	<b>124,201</b>	<b>9,711,095</b>	<b>17,338,706</b>

	2016 £	2015 £
<b>Total unrealised gains included above:</b>		
On investments	<b>1,966,098</b>	1,151,701

### **Reconciliation of movement in unrealised gains**

Unrealised gains at 1 September 2015	<b>1,151,701</b>	1,494,166
In respect to disposals in year	<b>(15,373)</b>	(254,607)
Net gains (losses) arising on revaluation in the year	<b>829,770</b>	(87,858)
Unrealised gains at 31 August 2016	<b>1,966,098</b>	1,151,701

## 19 Pension schemes and related commitments

### **Teachers' Pension Scheme**

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

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

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

## 19 Pension schemes and related commitments (continued)

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

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

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 16.4%.

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

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

### **Aviva Pension Scheme**

This is a defined contribution scheme and contributions paid by the Charity amounted to £nil (2015 - £9,370).

### **Scottish Widows**

This is a defined contribution scheme and contributions paid by the Charity amounted to £8,250 (2015 - £nil).

**19 Pension schemes and related commitments** (continued)

***Standard Life Pension Scheme***

This is a defined contribution scheme and contributions paid by the Charity amounted to £6,221 (2015 – £5,545).

***The Pensions' Trust***

This is a defined contribution pension scheme and contributions paid by the Charity amounted to £3,180 (2015 – £2,908).

**20 Ultimate control**

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

**21 Related party transactions**

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £46,327 (2015 - £32,461).