

**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 2017

## Contents

### Reports

Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	3
Independent auditor's report	29

### Accounts

Statement of financial activities	32
Balance sheet	33
Statement of cash flows	34
Principal accounting policies	35
Notes to the accounts	42

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

<b>Trustees</b>	Sister Eileen O'Neill (resigned 9 July 2017) Sister Noella Pereira (resigned 9 July 2017) Sister Marta Silva (resigned 9 July 2017) Sister Eileen O'Neill Sister Noella Pereira Sister Marta Silva Sister Ana Maria Horta Correia Ramirez (appointed 9 July 2017) Sister Anne Petit (appointed 9 July 2017)
<b>Sister Provincial</b>	Sister Maria Vaz Pinto (to July 2017) Sister Ana Maria Horta Correia Ramirez (from July 2017)
<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 106 Finchley Road London NW3 5JN  Barclays Bank plc 40 Wellington Road St John's Wood London NW8 9TJ  Lloyds Bank plc 4 Castle Street Christchurch Dorset BH23 1DU

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

### **Bankers** (continued)

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

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

Santander UK plc  
100 Ludgate Hill  
London  
EC4M 7NJ

### **Investment managers**

Charles Stanley Asset Management  
25 Luke Street  
London  
EC2A 4AR

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

Rathbone Investment Management Limited  
Port of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW

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

### **Solicitors**

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

## **Trustees' report 31 August 2017**

The Trustees present the report and accounts of the Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust (the 'Charity') for the year ended 31 August 2017.

The accounts have been prepared in accordance with the accounting policies set out on pages 35 to 41 of the attached accounts and comply with the Charity's trust deed, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

### **CONSTITUTION**

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

### **HISTORY**

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

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

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

**HISTORY** (continued)

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

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

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

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

In 2014, the Congregation began a new chapter of its history in England, with the establishment of the Atlantic Europe Province, in order to respond to the challenge of a New Evangelization of Europe, 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. The Province includes the communities and apostolic works in the United Kingdom, Ireland, Portugal and France.



Province Assembly – Palmela – October 2015

## **OBJECTIVES AND ACTIVITIES**

### **Mission and policies**

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

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

#### ◆ Education

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

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

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

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

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

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

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

#### ◆ Education (continued)

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

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

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

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, the Pioneer Association and others. A voluntary contribution is requested to cover the cost of heating, lighting and cleaning when these groups can afford it.

#### ◆ Social and pastoral work

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

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

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.



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

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

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

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

### **Care of the elderly**

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

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

### **Safeguarding**

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

### **Formation of younger Sisters**

Prior to joining the Congregation, those younger Sisters who are now in formation, had finished their school and university education and some had professional careers. However, their formation as Religious Sisters, and their experience of the mission in the Congregation takes several more years to acquire. During 2016/17, the Atlantic Europe Province had 16 Sisters at different stages of the Handmaid's Formation Program:

- ◆ One postulant and four novices were in a community which was specifically dedicated and carefully prepared to give formation in Palmela, Portugal;
- ◆ Seven Sisters were studying Philosophy and Theology: three in Madrid (Universidad Pontificia de Comillas) and four in Paris (Centre Sèvres);
- ◆ Three Sisters were receiving practical formation: two in Oporto, Portugal and one in Lisbon; and
- ◆ One sister reached the final phase of the initial formation, culminating with Perpetual Vows.

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

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

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

## **ACHIEVEMENTS AND PERFORMANCE**

### **Education**

The Governing Body of the school meets at the end of every term, where policies are ratified, compliance issues addressed, initiatives discussed, and decisions made. The sub committees, consisting of Finance and General Purposes, Health and Safety and Curriculum and Welfare, also meet termly and provide additional forums for monitoring and oversight. Each term, different staff members report on their areas of responsibility. These sub committees report termly to the full Governing Body and decide, in conjunction with the Trustees and the Senior Leadership Team, upon key priorities for moving forward. This year, the school welcomed Mr Paul Koffel as a new member of the Governing Body and Miss Louise Argles as Staff Representative.

It is a new tradition that the Head Girls speak to the Governors. This is quite an intimidating event; in the Library, in front of Governors, Trustees, and the Head Teacher, the Bursar and staff members. In June 2017, the Head Girls came to tell Governors about the "best bits" about their time at school and about their ambitions for the future. Governors were impressed and in awe at the quality of the speeches given, at the composure of the girls and at their knowledge and love of the school.

A major priority for the school this year was to prepare the staff for an Independent Schools Inspectorate (ISI) Compliance and Educational Quality Inspection in May 2017. This involved training the staff (and Governors) for safeguarding, compliance regulations and the formalities of the inspection process. Training for compliance included child protection and safeguarding, fire safety, PREVENT and defibrillator training. The Designated Safeguarding Leads (The Chair, the Head Teacher, and the heads of departments) also updated their training in safeguarding. There is a new electronic signing in system, which also keeps a very clear record of children arriving late! The school was delighted that the inspectors found the policies and procedures to be robust and the school, therefore, was completely compliant. The children in the ISI survey said overwhelmingly that they understood how to keep safe online. The school also offered training to parents on how to keep their children safe online.

In light of the various critical incidents that have occurred in London during the past year, the school asked Fairhaven International to help us draw up critical incident measures including procedures and a policy. The school will provide training to the staff during the current year.

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

### **Education** (continued)

#### ***Curriculum development and extra-curricular activities***

Teaching and learning continued to be a core focus. In the Autumn Term, an evening for parents was held on reading, which was well attended. In addition, and with thanks to the generosity of Parents' Link, the school purchased the Read Write Inc. phonics scheme, which has been rolled out across the school and enables consistency in the teaching of reading and phonics. The school will develop this further during 2017/18.

Maths Whizz, which is an online maths service, has proved very popular with pupils in Years 5 and 6 and builds upon their learning from school and helps to raise their maths ages through providing them opportunities to consolidate learning in a fun way, online. This will be extended to Reception upwards for 2017/18.

The school's Digital Strategy has continued to be developed across the school. In Early Years Foundation Stage (EYFS), the children have enjoyed using the interactive table to develop their Information and Communications Technology (ICT) skills. The older children have enjoyed using iPads and Chromebooks to skilfully use applications and carry out independent research. Clever Touch Screens have now been rolled out across the school thanks also to the support of Parents' Link. It really makes such a difference to classroom teaching having this state of the art technology.

There has been rapidly rising pupil performance in the sports department due to increased focus on competitive sports. This year for the first time, the school entered their netball and rounder's squads into the Independent Association of Prep Schools (IAPS) regional tournaments. The Year 4 team won the local netball league and the Gym Display was opened to Years 3 and 4 this year. Sports days proved very successful too.

The school has continued to place a premium on both enrichment and the 'hidden' curriculum with the following activities:

- ◆ Class assemblies;
- ◆ Instrumental assemblies;
- ◆ London Fire Brigade visit;
- ◆ Two visiting authors;
- ◆ The Life Bus;
- ◆ Bike Ability;
- ◆ Visit to the Florence Nightingale Museum;

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

### **Education** (continued)

#### ***Curriculum development and extra-curricular activities*** (continued)

- ◆ The Ancient Egyptian Day;
- ◆ A Science Week with guest speakers;
- ◆ Numerous visits to the Camden Learning Centre;
- ◆ A visit to a mosque;
- ◆ A visit to The Barbican;
- ◆ Productions of the Annie and Matilda musicals; and
- ◆ A highly successful Year 5 and 6 residential trip to Liddington.

In addition, the Student Council enjoyed a visit to see the Mayor of London in action at City Hall during Mayor's Question Time. The school also had successes in a Christmas Card Competition, at the Catholic Independent School Conference (CISC) National Poetry Competition, and the Inter Schools' Quiz Competition, where it won the regional event.

The girls in Years 5 and 6 have enjoyed success in The Primary Mathematics Challenge, The Junior Mathematics Challenge and The Intermediate Mathematics Challenge. In the Primary Mathematics Challenge, the school had a record number of five girls chosen to take part in the national finals. The finals are open to the top 3% of all contestants in the country. Seven award winners in the Junior Mathematics Challenge, dominated by Years 7 and 8, was an impressive result, but even more impressive were the three award winners in the Intermediate Mathematics Challenge, which is aimed at Years 9 to 11. The school had also had success in the United Kingdom Linguistics Olympiad competition, with seven award winners in a competition where children had to solve problems in a diverse range of languages.

The academic results this year were very pleasing for both Year 6 girls and Year 2 boys; and for the offers made from prestigious schools, which included The Henrietta Barnett School (more than one place), South Hampstead High School, North London Collegiate, City of London, Francis Holland School, Westminster Under School, Westminster Cathedral Choir School and St Philips. It has been the Head Teacher's priority to establish links with as many of these schools as possible and to meet the Head Teachers. So far, she has visited eight schools and will continue with these visits next year.

Another way in which the pupils displayed considerable musical and dramatic talent culminated in the Key Stage 2 production of Annie. As always, the pupils, staff and parents came together to produce another memorable performance. In the Easter term, Year 6 also performed a most moving passion play. So high is the standard of singing that recordings were made of the carol service and Annie.

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

### **Education** (continued)

#### ***Curriculum development and extra-curricular activities*** (continued)

'The Saint Christina's: A Musical Journey 2017' CD was also recorded as a fundraiser and proceeds from the sale of those CDs were given to the Roof Fund of San Francisco Javier School in Equatorial Guinea.

#### ***Fundraising and involvement in the community***

Record money raising initiatives for charities this year included:

- ◆ the National Society for the Prevention of Cruelty to Children (NSPCC);
- ◆ the Catholic Agency For Overseas Development (CAFOD),
- ◆ the Providence Row Homeless Charity;
- ◆ Pets as Therapy (PAT), where the initiative involved raising money for a dog called Milo who was suffering from poisoning and has now recovered;
- ◆ the Grenfell Tower disaster; and
- ◆ the San Francisco Javier School Roof.

#### ***Religious education***

St Christina's is obliged as a Catholic School in the Diocese of Westminster to have 10% of the curriculum devoted to Religious Education. The school is expecting a Diocesan Section 48 Inspection during the next academic year. Celebrating the children's First Holy Communion was a school highlight as was having a Year 6 Leavers' retreat and a retreat for the younger children.

As can be seen by the results of the ISI report, this impacts positively on the children's learning and personal development. The following quotes are taken from the report:

- ◆ 'Pupils' knowledge, skills and understanding are excellent in Religious Education as a result of the strong Catholic ethos in the school.'
- ◆ 'Pupils' excellent standard of spiritual development is a result of the school's ethos to follow Christ's teaching by caring, sharing and learning to forgive.'
- ◆ 'Pupils display an outstanding approach to serving their community.'
- ◆ 'Pupils have excellent appreciation and deepening understanding of cultural traditions different to their own.'
- ◆ 'Pupils' excellent knowledge is furthered by visits to mosques and synagogues.'
- ◆ 'Older pupils display a strong knowledge of mathematical principles which they apply well to problem solving.'

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

#### *Religious education (continued)*

- ◆ 'Pupils are confident communicators displaying high levels of literacy.'
- ◆ 'Pupils demonstrate strong study skills.'
- ◆ 'Pupils in Year 6 consistently gain their first choice of senior schools, with many awarded scholarships.'
- ◆ 'The quality of pupils' personal development is excellent.'
- ◆ '... high value is placed on encouraging excellent personal relationships amongst all parts of the school community.'
- ◆ 'Pupils further develop their excellent collaborative skills through the extra curriculum offered.'
- ◆ 'By the time they leave the school, pupils have an excellent standard of personal development.'

### Social and pastoral work

#### *Provincial level*

The new official website was launched in September 2016. The development of this website focussed on elaborating 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). More recently, its maintenance services have been assigned to an outside expert who is in charge of updating it to keep it relevant.



**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Social and pastoral work** (continued)

**Provincial level** (continued)

2016 marked the 100th anniversary of the death of Mother Pilar, co-founder of the Handmaids of the Sacred Heart of Jesus. The entire Province participated in a pilgrimage to Valladolid, where Mother Pilar spent the last years of her life, to deepen in the Spiritual heritage that our Founders handed on to us. It also included a visit to the National Museum of Sculpture, guided by alumni of the Handmaids and was a precious week of encounter between generations that helped build the continuity of the charisma in the future.



In February-March 2017, the most important Handmaids International Assembly, called the General Congregation (General Chapter in other Religious Congregations), which occurs every five years, took place in Madrid. Three delegates of the Atlantic Europe Province participated, including one of the Trustees, Sister Maria Vaz Pinto.



The new General Superior and team have been elected, and Sister Maria has been appointed as one of the four General Assistants. As a result, she has stepped down from her role as Provincial Superior.



## ACHIEVEMENTS AND PERFORMANCE (continued)

### Social and pastoral work (continued)

#### *Provincial level* (continued)

The need to nominate a new Provincial led to a prolonged visit of the newly elected General Superior to England, in the first journey of her mandate. Sister Rosario Fernández-Villarán had the chance to talk with all the Sisters and to gain further knowledge of the Handmaids' work in a country where she had already established warm bonds from previous stays studying English.

The new body of Trustees has been elected and the trustees are listed on page 1. Sister Patricia Lynch and Sister Sarah-Anne Kane, who now live in Ireland, resigned from the board. The new Provincial Superior, Sister Ana Maria Ramírez, and Sister Anne Petit were appointed.

Meetings between Bursars and Superiors, at different levels of decision making, continued to take place. This year, the Bursars' annual encounter was dedicated to thoroughly study the New Administration Manual, where the modus of the Congregation in economic and financial matters is specified.

In November 2016, the Second European Meeting on Ancilla Cordis Iesu (ACI) Education took place in Paris, hosted by the Institut de l'Alma. Again the senior staff and part of the governing bodies of the Province's schools got together for some days of intense formation on Saint Raphaela Mary's style of education, with the best specialist speakers as guides. The third encounter has been set to take place in Dublin in 2018.

#### *Boscombe (Bournemouth)*

Following the Strategic Structural Plan presented in September 2015, the re-opening of the Bournemouth community finally became a reality.

The works in the house started during summer 2016 and continued through the beginning of 2017. The official inauguration date was 25 March 2017, the Annunciation feast day, with the presence of the General Superior of the Congregation and many Sisters from the other communities of the Province, making visible the commitment and enthusiasm of the Congregation in this project.



It resulted in a beautiful celebration, where the joy of all the Parish community, ACI Family and other friends was expressed in touching ways.



**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Social and pastoral work** (continued)

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

The Sisters are now working in the nearby Parishes of Corpus Christi and Sacred Heart, helping in the prayer groups. They work with immigrants, mostly from Portugal, Brazil and India, taking advantage of the multi-cultural background of the Sisters. Networking has been established with the International Care Network (ICN) for refugees, women and children.

The Sisters collaborate on a day-to-day basis at Thomas Garnet and Corpus Christi schools, as well as the University multi-faith chaplaincy.

The ACI Family continues to be very active and feels at home in the Handmaids' house for their meetings, with the assistance of the Sisters.



A public adoration now takes place in our house once a month, with many people attending it.

In the Summer of 2017, the Sister who was the Superior of the previous community, having assured the continuity of the presence and the relationships with the ACI Family, went back to Spain to enjoy her jubilee years closer to her family. A second young Portuguese Sister, who had recently finished her Theology and Spirituality studies, was assigned to Bournemouth, strengthening the commitment with schools and youth ministries.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Social and pastoral work (continued)

#### *London*

The community 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 with 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 in the nursery and reception levels.

The Sunday Mass is the high moment of the week, with regular attendants that already form a community of friends. Whenever they need sacramental preparation, the Sisters set up and carry a formation plan.

The Advent Campaign embraced the cause of bracelets against Female Genital Mutilation and had a very good response. There are many people who wear this bracelet and are equipped to share and support this campaign.

Knowing that the Jesuit Refugee Service Centre was looking for people to house Asylum Seekers whose papers were still being processed, the community offered to take in one person.

### Sister Noella's speech to prospective Parents during the Open Day

Dear Parents, I am here to welcome you on behalf of the Sisters.

Our school began in 1947. And I wish to let you know that it is part of an international network of schools begun by the Handmaids of the Sacred Heart of Jesus.

Our foundress Saint Rafaela Mary saw the importance of education way back in her day, and always insisted that we should educate from the heart and with the heart.

Today we have schools in many countries all over the world and just now we have returned from a conference where we met up with the management of our schools in England, Ireland, France and Portugal to come up with ways to evaluate and plan together the path we wish to walk in the future.

Ms Finlayson [the Head Teacher] shared that one of the outstanding values that this school has focused on this year is Resilience. The initiative we are developing is Growth mind-set which teaches our students resilience and perseverance by taking on new challenges outside of their comfort zone. She will share with you now, how the concerted efforts of the whole educational team of our school have borne fruit.

I sincerely hope that your time with us today will be fruitful and help you decide if you wish to trust us with the education of your child.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Social and pastoral work (continued)

#### *London (continued)*

This lady spent three months with us. She had come to England as a student and was hoping to get permission to stay on, but had had a very difficult time in London, even living on the streets fending for herself, finding it very difficult to trust anyone. It was a privilege to have been able to give her a time of relative peace and security.

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, 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.

### Grants and donations

The Handmaids of the Sacred Heart of Jesus in England is part of an international Congregation with communities in 23 countries. The Trustees are aware of their obligation to assist the Sisters' mission in third world countries and, for this purpose, a contribution is set aside each year, either sending it to the Congregation's headquarters in Rome or increasing the Mission fund, which is available at any time for emergencies.



Grants and donations are decided upon by the Trustees after consultation with other members of the Congregation. In November 2017, the Trustees decided to give a large donation of one hundred thousand euros to Fundação Santa Rafaela Maria, in Portugal, to help rebuild a large and significant house offered by the City Hall. This will dramatically improve their facilities and enhance the quality and scope of the programs held. The donation is to be handed only when the works in the building begin, which is due to start in the next fiscal year.

The Trustees continue to give some financial support to organisations within Great Britain whose work is consistent with the objects of the Charity such as the Catholic Agency for Overseas Development (CAFOD), the Medaille Trust (a charity to support women, men and children freed from trafficking) and Providence Row (a charity that works with homeless population).

### Formation of younger Sisters

A major decision of the Strategic Structural Plan was to open a Juniorate in Paris, where the Sisters that leave Noviciate after their first vows have some years fully dedicated to study to prepare for their future pastoral work.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Formation of younger Sisters** (continued)

The first three young Sisters started this period of formation in August 2016. After having an intensive preparation in French, they joined Centre Sèvres. This Academy, with a very strong Jesuit tradition, is now a centre to prepare young generations of Religious for their future work. A fourth Sister joined them in March 2017.

Three other Sisters continue to study Theology in Madrid, at Universidad Pontificia de Comillas. Two Juniorates had a meeting in November, in Spain.

Every year, all the Sisters that are in Formation get together for a special retreat where they renew their vows and grow in their commitment with the Congregation. In 2017, this retreat took place in Madrid, where Saint Raphaela Mary lived.



After many years of formation, one Sister made her Perpetual Vows in the Congregation in October 2016, 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 32 of the attached accounts.

Total income for the year to 31 August 2017 amounted to £2,865,604 compared to £3,076,611 in 2016. Expenditure during the year totalled £2,747,998 (2016 - £2,723,002).

The Charity's income includes £2,346,676 (2016 - £2,469,635) being the fees and charges of Saint Christina's Preparatory School, £375,431 (2016 - £333,427) being income from investments and interest receivable and £92,058 (2016 - £224,323) being donations and legacies. Expenditure includes £2,300,932 (2016 - £2,295,448) relating to the school.

Net gains on investment assets of £994,184 resulted in a net increase in funds for the year of £1,111,790. Total funds carried forward at 31 August 2017 were £18,450,496.

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

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

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

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 position***

The balance sheet shows total reserves of £18,450,496. Of this, £5,579,028 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.

£457,358 represents the programme related investment fund. This investment comprises land and buildings owned by the Charity but used by another charitable organisation with charitable objectives consistent with those of the Charity. It is the intention of the Trustees that such an asset should continue to be used for the purpose for as long as needed and as such its value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

**FINANCIAL REVIEW** (continued)

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

***Financial position*** (continued)

£7,164 relates to the Charity's restricted funds which comprise monies that must be applied for the specific project or purpose for which the funds were received by the school. Further details are given in note 16 to the accounts.

The Saint Christina's Preparatory School designated fund of £1,098,231 represents the accumulated surplus of income over expenditure of the school excluding the restricted monies referred to above. These monies have been designated, by the Trustees, for use by the school.

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

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

Given the age profile of the Sisters and the commitment the Charity has to care for them for life, a further designated fund of £6,800,000, 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 £1,705,035. The Trustees are of the opinion that this level of free reserves is prudent and appropriate and consistent with the Charity's reserves policy.

**Investment policy and performance**

At 31 August 2017, the Charity held listed investments with a market value of £11,163,768 and, at that date, a further £497,303 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.

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

## **FINANCIAL REVIEW** (continued)

### **Investment policy and performance** (continued)

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

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

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

During the year, the house at Beckenham started to be used by another charitable organisation, the Salesian Sisters. As such, it has been classified as a programme related investment in the accounts.

## **PLANS FOR FUTURE PERIODS**

### **Province**

The new group of Trustees has already started working together and functioning as a team. The new Provincial Superior will dedicate a lot of time and interest familiarising and deepening her knowledge on educational and pastoral work in England.

At the beginning of 2018, the Third European Meeting on ACI Education took place in Dublin, hosted by Saint Raphaela's Primary and Secondary Schools. The fourth encounter should take place in London and it will be Saint Christina's School's turn to organise it.

The Trustees, along with the Governors of Saint Christina's School, will continue their discernment on the future, in order to improve the numbers of students; starting with the decision that from September 2018, boys will only remain with the school until the end of EYFS due to boys' schools taking boys at a younger age. The school is likely to need more space and rooms in a few years, so consultations will be held with architects to start to imagine possibilities and improvements.

From the Convent side, in London, even though not immediately, the Trustees recognise the need to gain accessibility to the Chapel and ground floor. It would also be desirable to improve the heating in the Chapel to improve conditions for worshipping on colder days.

Regarding the younger Sisters, two of them are expected to go to Rome for the final period of formation before Perpetual Vows. Another one left the Noviciate in January 2018, after pronouncing her First Vows.

**PLANS FOR FUTURE PERIODS** (continued)

**Province** (continued)

The Congregation plans to participate in "Associação Casa Velha", a project related to Spirituality and Ecology very much aligned with the Handmaids charisma and present priorities.

**School**

The new school Development Plan has now been developed, and was presented to Governors in November 2017. This takes on board findings from the recent ISI and Section 48 inspections and parental surveys. As part of this, the school has restructured the Senior Leadership Team to include phase leaders for each department and new teaching assistants. Restructure of the office and Physical Education departments will take place so that the school runs more efficiently and the playground facilities will be updated in the 2017/18 academic year with the help of funds from Parents' Link.

In the 2017/18 academic year, the school is specifically focusing on developing excellence consistently across all departments and training staff, pupils and parents in 'Growth MindSet' techniques as well as expanding extra-curricular activities. This has involved staff training; in September, the school INSET day was on 'The Changing Role of the Teaching and Learning Assistant: Maximising Classroom Support'. The day involved 'Developing Independent Learners' and looking at 'Growth MindSet' as well as utilizing our teaching assistants more effectively. In October, another INSET day on developing 'Talk for Writing' (the Pie Corbett approach to teaching writing) was held, which will be implemented across the school. In 2018, the staff will be undertaking National Association for Able Children in Education training in order to challenge the more able children.

The staff also have to adapt to preparing the children for the newly announced 11+ exam procedures for the North London Collegiate Schools in 2019. As a result of the staff training, action plans have been put into place and they are being monitored through regular staff and departmental meetings, book scrutinies, planning checks, learning walks and lesson observations. The Physical Education department has improved significantly in the last year, particularly in netball and this will continue.

Parents have been informed that from September 2018 boys will only remain with the school until the end of EYFS due to boys' schools taking boys at a younger age. The Bursar is in the early stages of working with architects and quantity surveyors to extend the school so that it can become a two-form entry from Reception to Year 6 in the future. Work on marketing the school will continue, upgrading the website and taking part in more external events so that St Christina's becomes better known locally. Security systems are also being improved.

This is all being done in order to improve education and the efficiency of the running of Saint Christina's, resulting in the message of the Gospel taking root and flourishing in our children's whole lives. Thus, St Christina's is able to continue with the work and mission of St Raphaela Maria, whose passion for the education of youth we wholeheartedly share.



## 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 2017 are set out on page 1 of this report and accounts.

### Trustees



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



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



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

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees (continued)



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



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

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

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

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

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

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

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

### **Key management personnel**

The Trustees consider that they together with the Governors and senior management team of 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 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 2017 was 76 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:

Ana Maria Ramirez

Trustee

Approved by the Trustees on: 13 June 2018

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

**Opinion**

We have audited the accounts of Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust (the 'Charity') for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the Charity's affairs as at 31 August 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

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



**Responsibilities of Trustees**

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

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

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

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

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

21 June 2018

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Income from:</b>					
Donations and legacies	1	73,551	18,507	<b>92,058</b>	224,323
Investments and interest receivable	2	375,431	—	<b>375,431</b>	333,427
Charitable activities					
. Education fees and related charges*	3	2,346,676	—	<b>2,346,676</b>	2,469,635
Other trading activities	4	46,128	5,311	<b>51,439</b>	49,226
<b>Total income</b>		<b>2,841,786</b>	<b>23,818</b>	<b>2,865,604</b>	3,076,611
<b>Expenditure on:</b>					
Raising funds*					
. Investment managers' costs		54,658	—	<b>54,658</b>	46,165
Charitable activities					
. Donations and support of missions	5	33,320	5,311	<b>38,631</b>	48,009
. Provision of education	6	2,290,867	10,065	<b>2,300,932</b>	2,295,448
. Support of members of the Congregation and their ministry	7	353,777	—	<b>353,777</b>	333,380
<b>Total expenditure</b>		<b>2,732,622</b>	<b>15,376</b>	<b>2,747,998</b>	2,723,002
<b>Net income for the year before net gains on investments</b>	8	109,164	8,442	<b>117,606</b>	353,609
<b>Net investment gains</b>	12	994,184	—	<b>994,184</b>	880,850
<b>Net income</b>		1,103,348	8,442	<b>1,111,790</b>	1,234,459
Transfers between funds	16	125,479	(125,479)	—	—
<b>Net movement in funds</b>		<b>1,228,827</b>	<b>(117,037)</b>	<b>1,111,790</b>	1,234,459
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 September 2016		17,214,505	124,201	<b>17,338,706</b>	16,104,247
Balances carried forward at 31 August 2017		<b>18,443,332</b>	<b>7,164</b>	<b>18,450,496</b>	17,338,706

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 and expenditure on raising funds was unrestricted in 2016.

**Balance sheet** 31 August 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible assets	11		<b>5,579,028</b>		5,892,675
Investments	12		<b>11,661,071</b>		10,682,524
Programme related investments	13		<b>457,358</b>		—
			<b>17,697,457</b>		16,575,199
<b>Current assets</b>					
Debtors	14	<b>185,290</b>		221,816	
Cash at bank and in hand		<b>1,422,961</b>		1,234,917	
		<b>1,608,251</b>		1,456,733	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	<b>(529,462)</b>		(418,476)	
<b>Net current assets</b>			<b>1,078,789</b>		1,038,257
<b>Total assets less current liabilities</b>			<b>18,776,246</b>		17,613,456
<b>Creditors: amounts falling due after one year</b>					
. Fee deposits from pupils			<b>(325,750)</b>		(274,750)
<b>Total net assets</b>			<b>18,450,496</b>		17,338,706
<b>The funds of the Charity:</b>					
Restricted funds	16		<b>7,164</b>		124,201
Unrestricted funds					
. Tangible fixed assets fund	17		<b>5,579,028</b>		5,786,394
. Programme related investment fund	18		<b>457,358</b>		—
. Designated funds	19		<b>10,701,911</b>		9,711,095
. General funds			<b>1,705,035</b>		1,717,016
			<b>18,450,496</b>		17,338,706

Approved by the Trustees and signed on their behalf by:

Ana Maria Ramirez

Trustee

Approved by the Trustees on: 13 June 2018

## Statement of cash flows Year to 31 August 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>106,570</b>	315,788
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>359,374</b>	256,928
Purchase of tangible fixed assets		<b>(289,834)</b>	(129,510)
Proceeds from the disposal of tangible fixed assets		<b>1,004</b>	—
Purchase of investments		<b>(667,157)</b>	(571,414)
Proceeds from the disposal of investments		<b>682,604</b>	610,881
<b>Net cash provided by investing activities</b>		<b>85,991</b>	166,885
<b>Change in cash and cash equivalents in the year</b>		<b>192,561</b>	482,673
<b>Cash and cash equivalents at 1 September 2016</b>	B	<b>1,727,703</b>	1,245,030
<b>Cash and cash equivalents at 31 August 2017</b>	B	<b>1,920,264</b>	<b>1,727,703</b>

Notes to the statement of cash flows for the year to 31 August 2017.

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

	2017 £	2016 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>1,111,790</b>	1,234,459
<b>Adjustments for:</b>		
Depreciation charge	<b>214,891</b>	212,712
Gains on investments	<b>(994,184)</b>	(880,850)
Investment income and interest receivable	<b>(379,424)</b>	(333,427)
Deficit on disposal of tangible fixed assets	<b>10,447</b>	—
Decrease (increase) in debtors	<b>56,576</b>	(19,611)
Increase in creditors	<b>86,474</b>	102,505
<b>Net cash provided by operating activities</b>	<b>106,570</b>	315,788

### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<b>1,422,961</b>	1,234,917
Cash held by investment managers	<b>497,303</b>	492,786
<b>Total cash and cash equivalents</b>	<b>1,920,264</b>	<b>1,727,703</b>

## Principal accounting policies 31 August 2017

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 2017 with comparative information provided in respect to the year ended 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 Charity constitutes a public benefit entity as defined by FRS 102.

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

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

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

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

- ◆ the estimates of the useful economic life of tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision required for any bad or doubtful debts in respect to fees receivable by Saint Christina's Preparatory School. Any such provision has been determined following an assessment of the likelihood of recovery on long-standing debts; 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.

**Assessment of going concern** (continued)

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 2018, 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 2018, 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 probably that the income will be received.

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

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

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.

**Income recognition** (continued)

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

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

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

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

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

**Expenditure recognition**

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

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:

**Expenditure recognition** (continued)

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

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

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

**Tangible fixed assets**

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

*Freehold land and buildings*

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



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.

**Tangible fixed assets** (continued)

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

*Plant and building improvements*

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

*Furniture and equipment*

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

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

*Computer equipment*

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

*Motor vehicles*

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

### **Fixed asset investments**

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

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

### **Fixed asset investments (continued)**

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

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

### **Programme related investment**

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

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

The programme related investment fund represents the value of land and buildings owned by the Charity but used by another organisation for purposes consistent with the Charity's objectives.

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

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

**Foreign currencies**

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

**Services provided by members of the Congregation**

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

**Pension costs**

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

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

## Notes to the accounts 31 August 2017

### 1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Salaries and pensions of individual religious received under Gift Aid	58,865	—	<b>58,865</b>	75,358
General donations	14,686	18,507	<b>33,193</b>	117,147
Legacies	—	—	<b>—</b>	31,818
<b>2017 Total funds</b>	<b>73,551</b>	<b>18,507</b>	<b>92,058</b>	<b>224,323</b>
2016 Total funds	224,323	—	224,323	

### 2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total 2017 £	Total 2016 £
<b>Income from listed investments</b>		
. Unitised funds	<b>30,013</b>	35,831
. UK fixed interest	<b>29,260</b>	35,063
. Common investment funds	<b>81,594</b>	96,288
. UK equities	<b>165,396</b>	127,380
. Foreign investment trusts	<b>38,304</b>	32,105
. Charities property fund	<b>4,834</b>	4,072
	<b>349,401</b>	330,739
<b>Interest receivable</b>		
. Bank interest	<b>2,114</b>	2,345
. Interest on cash held by investment managers	<b>166</b>	343
	<b>2,280</b>	2,688
<b>Income from programme related investments</b>	<b>23,750</b>	—
<b>Total</b>	<b>375,431</b>	333,427

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

	Unrestricted funds	
	Total 2017 £	Total 2016 £
Tuition fees	<b>2,257,790</b>	2,410,461
Less: Discounts and bursaries	<b>(20,145)</b>	(45,412)
	<b>2,237,645</b>	2,365,049
Other fees and charges	<b>91,803</b>	85,832
Funding from local authorities	<b>17,228</b>	18,754
	<b>109,031</b>	104,586
<b>Total funds</b>	<b>2,346,676</b>	2,469,635

**4 Income from: Other trading activities**

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Hire of facilities	33,186	—	<b>33,186</b>	31,228
Miscellaneous	12,942	—	<b>12,942</b>	17,998
Fundraising	—	5,311	<b>5,311</b>	—
<b>2017 Total funds</b>	<b>46,128</b>	<b>5,311</b>	<b>51,439</b>	<b>49,226</b>
2016 Total funds	49,226	—	49,226	

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

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Handmaids of the Sacred Heart - Dublin	28,826	—	<b>28,826</b>	—
Handmaids of the Sacred Heart - Uruguay	—	—	—	39,903
Handmaids of the Sacred Heart - Rome	—	—	—	3,549
San Francisco Javier School Roof fund - Equatorial Guinea	—	5,311	<b>5,311</b>	—
Donations under £1,000 each to institutions	4,494	—	<b>4,494</b>	4,557
<b>2017 Total funds</b>	<b>33,320</b>	<b>5,311</b>	<b>38,631</b>	<b>48,009</b>
2016 Total funds	48,009	—	48,009	

**6 Expenditure on: Provision of education**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Teaching costs	1,505,923	9,507	<b>1,515,430</b>	1,512,171
Welfare	206,454	558	<b>207,012</b>	209,410
Premises	335,189	—	<b>335,189</b>	313,760
Support costs (see below)	243,301	—	<b>243,301</b>	260,107
<b>2017 Total funds</b>	<b>2,290,867</b>	<b>10,065</b>	<b>2,300,932</b>	<b>2,295,448</b>
2016 Total funds	2,279,648	15,800	2,295,448	

## Notes to the accounts 31 August 2017

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

Support costs comprise:

	Unrestricted funds	
	Total 2017 £	Total 2016 £
Staff costs	103,095	109,940
Printing, postage, stationery, telephone	16,752	14,363
Courses	7,510	5,326
Insurance	20,462	19,495
Bad and doubtful debts	7,375	25,000
Chaplaincy	293	456
Subscription and inspection costs	10,220	7,355
Professional fees	62,025	61,766
Miscellaneous expenses	1,169	1,406
Governance costs – auditor's remuneration	14,400	15,000
	<b>243,301</b>	<b>260,107</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 2017 £	Total 2016 £
Premises	68,423	62,463
Sisters' personal expenses	97,299	123,490
Education, training and spiritual renewal	95,499	58,792
Depreciation of property	50,433	50,433
Other support costs	27,593	23,702
Governance costs – auditor's remuneration	14,530	14,500
	<b>353,777</b>	<b>333,380</b>

### 8 Net income for the year before net gains on investments

This is stated after charging (crediting):

	Unrestricted funds	
	Total 2017 £	Total 2016 £
Staff costs (note 9)	1,615,743	1,671,964
Auditor's remuneration		
. Statutory audit services		
.. Current year	6,600	6,600
.. Prior year	730	—
. Non statutory audit services		
.. Current year	14,300	15,000
.. Prior year	(600)	—
. Other services	7,900	12,100
Deficit on disposal of tangible fixed assets	10,447	—
Depreciation	214,891	212,712

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

	Unrestricted funds	
	2017 £	2016 £
Staff costs during the year were as follows:		
Wages and salaries	<b>1,213,894</b>	1,242,009
Social security costs	<b>120,321</b>	114,439
Other pension costs	<b>126,752</b>	139,793
Redundancy costs	<b>78,161</b>	46,750
	<b>1,539,128</b>	1,542,991
Contractors' fees	<b>76,615</b>	128,973
	<b>1,615,743</b>	1,671,964
Staff costs per function were as follows:		
Provision of education	<b>1,583,676</b>	1,643,323
Support of members of the Congregation and their ministry	<b>32,067</b>	28,641
	<b>1,615,743</b>	1,671,964

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

	2017	2016
£60,001 - £70,000	<b>1</b>	1
£70,001 - £80,000	<b>1</b>	—
£80,001 - £90,000	<b>—</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 £11,480 (2016 - £13,317) and total contributions to the defined contributions scheme amounted to £7,776 (2016 - £8,520).

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

	2017	2016
Provision of education	<b>33</b>	34
Support of members of the Congregation and their ministry	<b>3</b>	3
	<b>36</b>	37

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 (2016 - £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 and National Insurance contributions and other benefits of the key management personnel was £161,435 (2016 - £181,546).

**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 2016	3,482,524	2,970,658	956,316	360,776	115,713	47,455	<b>7,933,442</b>
Additions	144,055	—	161,958	25,016	39,024	—	<b>370,053</b>
Disposals	—	—	(11,606)	(14,706)	—	(8,160)	<b>(34,472)</b>
Reclassification (note 13)	(457,358)	—	—	—	—	—	<b>(457,358)</b>
At 31 August 2017	<b>3,169,221</b>	<b>2,970,658</b>	<b>1,106,668</b>	<b>371,086</b>	<b>154,737</b>	<b>39,295</b>	<b>7,811,665</b>
At cost	741,451	1,721,408	1,106,668	371,086	154,737	39,295	<b>4,134,645</b>
At deemed cost – 1994 and 1999 valuations	2,427,770	1,249,250	—	—	—	—	<b>3,677,020</b>
	<b>3,169,221</b>	<b>2,970,658</b>	<b>1,106,668</b>	<b>371,086</b>	<b>154,737</b>	<b>39,295</b>	<b>7,811,665</b>
<b>Depreciation</b>							
At 1 September 2016	846,140	663,041	218,113	183,985	82,036	47,452	<b>2,040,767</b>
Charge for the year	50,433	59,413	47,818	39,207	18,020	—	<b>214,891</b>
On disposals	—	—	(1,160)	(13,702)	—	(8,159)	<b>(23,021)</b>
At 31 August 2017	<b>896,573</b>	<b>722,454</b>	<b>264,771</b>	<b>209,490</b>	<b>100,056</b>	<b>39,293</b>	<b>2,232,637</b>
<b>Net book values</b>							
At 31 August 2017	<b>2,272,648</b>	<b>2,248,204</b>	<b>841,897</b>	<b>161,596</b>	<b>54,681</b>	<b>2</b>	<b>5,579,028</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>

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 2017

### 12 Investments

	2017 £	2016 £
<b>Listed investments</b>		
Market value at 1 September 2016	10,189,738	9,348,355
Additions at cost	662,450	571,414
Disposals at book value (proceeds: £682,604; losses: £2,373)	(684,977)	(557,618)
Net unrealised investment gains (losses)	996,557	827,587
Market value at 31 August 2017	<b>11,163,768</b>	10,189,738
<b>Cash held by investment managers</b>	<b>497,303</b>	492,786
	<b>11,661,071</b>	10,682,524
<b>Cost of listed investments at 31 August 2017</b>	<b>8,280,127</b>	8,209,544

Listed investments held at 31 August 2017 comprised the following:

	2017 £	2016 £
UK fixed interest	970,271	1,038,497
Common investment funds	3,692,478	3,784,097
UK equities	4,138,672	3,491,062
Foreign investment trusts	2,222,925	1,741,020
Charities property fund	139,422	135,062
	<b>11,163,768</b>	10,189,738

At 31 August 2017 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	2,779,796	24.90
COIF Charities Ethical Funds	912,682	8.18

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

### 13 Programme related investments

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

	2017 £	2016 £
At 1 September 2016	—	—
Reclassification (note 11)	457,358	—
<b>At 31 August 2017</b>	<b>457,358</b>	—

This investment comprises land and buildings owned by the Charity but used by other another charitable organisation with objectives consistent with those of the Charity.

## Notes to the accounts 31 August 2017

### 14 Debtors

	2017 £	2016 £
School fees receivable	16,719	23,251
Investment income receivable	136,743	116,693
Prepayments and accrued income	26,723	76,695
Other debtors	5,105	5,177
	<b>185,290</b>	<b>221,816</b>

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

	2017 £	2016 £
Expense creditors	9,149	22,789
Accruals	100,153	124,302
School fees in advance and fee deposits from pupils	336,211	265,183
Additions to freehold land and buildings for educational use	78,638	3,126
Donations payable	5,311	—
Other creditors	—	3,076
	<b>529,462</b>	<b>418,476</b>

### 16 Restricted funds

	At 1 September 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
Playground fund	68,875	—	—	(68,875)	—
Arts Hall fund	17,846	—	—	(17,846)	—
Development fund	29,758	—	—	(29,758)	—
Kitchen fund	7,722	—	(558)	—	<b>7,164</b>
IT fund	—	9,000	—	(9,000)	—
Science fund	—	3,840	(3,840)	—	—
Literacy fund	—	5,667	(5,667)	—	—
San Francisco Javier School Roof fund	—	5,311	(5,311)	—	—
	<b>124,201</b>	<b>23,818</b>	<b>(15,376)</b>	<b>(125,479)</b>	<b>7,164</b>

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

The **Playground fund** represented monies received and spent on purchasing playground equipment, which was capitalised when purchased.

The **Arts Hall fund** represented donations received and spent on equipment and facilities for the arts hall capitalised when purchased.

## Notes to the accounts 31 August 2017

### 16 Restricted funds (continued)

The **Development fund** represented donations received and spent for the future development of the school. The majority of the fund had been utilised on equipment, which was capitalised when purchased. The remaining balance of £10,198 was utilised to purchase of Clever Touch Screens.

The **Kitchen fund** represents donations to be used in respect to improvements to the school's kitchen. These monies have been utilised since the year-end on updating kitchen equipment.

The **IT fund** represents donations from Parent's Link to be used to purchase IT equipment. These monies were also used to purchase Clever Touch Screens.

The **Science fund** represents donations to be used in respect to purchases of science equipment for the students. A science cart was purchased with the monies received.

The **Literacy fund** represents donations received for the purchase of books and ancillary equipment for the students. The fund was fully used for the purchase of books and ancillary equipment.

The **San Francisco Javier School Roof fund** represented monies raised by the school through the recording of a CD and subsequent sales. The proceeds from the sales were donated to San Francisco Javier School.

### 17 Tangible fixed assets fund

	Total £
At 1 September 2016	5,786,394
Net movement in year	(207,366)
At 31 August 2017	<u>5,579,028</u>

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

### 18 Programme related investment fund

	Total £
At 1 September 2016	—
Reclassification from tangible fixed assets fund	457,358
At 31 August 2017	<u>457,358</u>

**18 Programme related investment fund (continued)**

The programme related investment fund represents the value of the Charity's programme related investment. This investment comprises land and buildings owned by the Charity but used by another charitable organisation with objectives consistent with those of the Charity. It is the intention of the Trustees that such an asset should continue to be used for the purpose for as long as needed and as such its value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

As explained under principal accounting policies, the above property is included on the balance sheet at the value at which the property was included in tangible fixed assets prior to its reclassification as a programme related investment. This value was based on a Trustees' valuation determined in 1994 and 1999 adjusted for any additions since that date. During the year to 31 August 2016, as permitted under the transitional provisions of FRS 102 (section 35), the Trustees elected to use these valuations as deemed cost.

**19 Designated funds**

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

	At 1 September 2016 £	New designations £	Utilised/ released £	At 31 August 2017 £
Vocational fund	1,778	—	(1,778)	—
Mission fund	722,926	80,754	—	<b>803,680</b>
Saint Christina's Preparatory School fund	986,391	2,501,881	(2,390,041)	<b>1,098,231</b>
Formation fund	2,000,000	82,746	(82,746)	<b>2,000,000</b>
Sisters' care fund	6,000,000	800,000	—	<b>6,800,000</b>
	<u>9,711,095</u>	<u>3,465,381</u>	<u>(2,474,565)</u>	<u><b>10,701,911</b></u>

*Vocational fund*

This fund represents monies to be used in spreading information about the Congregation for the purpose of promoting vocations. These funds were utilised in the year.

*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.

## Notes to the accounts 31 August 2017

### 19 Designated funds (continued)

#### *Formation fund*

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

#### *Sisters' care fund*

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

### 20 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Designated funds £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>						
Tangible fixed assets	—	5,579,028	—	—	—	<b>5,579,028</b>
Investments	1,144,709	—	457,358	—	10,516,362	<b>12,118,429</b>
Current assets	610,313	—	—	7,164	990,774	<b>1,608,251</b>
Creditors: amounts falling due within one year	(49,987)	—	—	—	(479,475)	<b>(529,462)</b>
Creditors: amounts falling due after one year	—	—	—	—	(325,750)	<b>(325,750)</b>
<b>Total net assets</b>	<b>1,705,035</b>	<b>5,579,028</b>	<b>457,358</b>	<b>7,164</b>	<b>10,701,911</b>	<b>18,450,496</b>

	2017 £	2016 £
<b>Total unrealised gains included above:</b>		
On investments	<b>2,883,641</b>	1,980,194

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

Unrealised gains at 1 September 2016	<b>1,980,194</b>	1,151,701
In respect to disposals in year	<b>(93,110)</b>	906
Net gains (losses) arising on revaluation in the year	<b>996,557</b>	827,587
Unrealised gains at 31 August 2017	<b>2,883,641</b>	1,980,194

## 21 Pension schemes and related commitments

### *Teachers' Pension Scheme*

#### *Introduction*

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

#### *Valuation of the Teachers' Pension Scheme*

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

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

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

During the year the employer contribution rate was 16.4%. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2009.

## 21 Pension schemes and related commitments (continued)

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

#### *Valuation of the Teachers' Pension Scheme (continued)*

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

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

For the period 1 September 2016 to 31 August 2017, the employer contributions amounted to £108,402 (2016 - £121,872).

### *Scottish Widows*

This is a defined contribution scheme and contributions paid by the Charity amounted to £7,776 (2016 - £8,250).

### *Standard Life Pension Scheme*

This is a defined contribution scheme and contributions paid by the Charity amounted to £7,143 (2016 – £6,221).

### *The Pensions' Trust*

This is a defined contribution pension scheme and contributions paid by the Charity amounted to £3,431 (2016 – £3,450).

## 22 Ultimate control

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

## 23 Related party transactions

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £16,251 (2016 - £48,849).